

**MINUTES OF THE  
STATE HEALTH PLANNING BOARD MEETING  
Thursday, August 3, 2006**

Members Present:

Judy Donlen, RN, DNSc., Chairperson  
Catherine Ainora, Vice Chairperson  
Henry S. Kane  
Susan Olszewski  
Connie Bentley-McGhee, Esq.  
Dr. Joseph Barone  
Dr. Sharol Lewis (Representing the Public Health Council)  
Ellsworth Havens (Representing the Health Care Administration Board)  
Matthew D'Oria (Representing Commissioner Jacobs, Department of Health & Senior Services)  
Eileen Stokley (Representing Acting Commissioner Smith, Department of Human Services)

Excused Absent:

Jorge L. Vereas, M.D.

Staff:

Ruth Charbonneau  
Alise Davis  
John Calabria  
Melissa A. Raksa, DAG

CALL TO ORDER

Dr. Judy Donlen, Chairperson opened the meeting at the Holiday Inn, National Conference Center, 399 Monmouth Street, East Windsor, New Jersey on Thursday, August 3, 2006 @ 10:15 a.m.

### **MOTION SUMMARY**

1. Approval of January 5, 2006 minutes  
**Motion – Ms. Bentley-McGhee, Second – Ms. Ainora**
  
2. Approval of Certification of Need Application for Relocation of the Capital Health System – Mercer General Hospital –  
**Motion – Ms. Ainora, Second – Ms. Olszewski**
  
3. Adjournment (voice vote)

August 3, 2006  
STATE HEALTH PLANNING BOARD VOTING RECORD

<b>VOTING BOARD MEMBER</b>	<b>ROLL</b>	<b>1</b>	<b>2</b>
Dr. Donlen	X	Y	N
Ms. Ainora	X	Y	Y
Mr. Kane	X	A	N
Ms. Olszewski	X	Y	Y
Ms. Bentley-McGhee	X	A	A
Dr. Barone	X	Y	Y
Mr. Havens	X	A	Y
Dr. Lewis	X	Y	Y
Dr. Vereia	-	-	-
Mr. D'Oria – non voting member	X	-	-
Ms. Stokley – non voting member	X	-	-
Total	10	5-Y	5-Y
Total Absent	1	0-N	2-N
		3-A	1-A
		0-R	0-R

1 MS. DONLEN: The meeting will come to  
2 order.

3 MS. DAVIS: This is a formal of the State  
4 Health Planning Board. Adequate notice of this  
5 meeting has been published in accordance with the  
6 provisions of Chapter 231, Public Law 1975,  
7 c-10:4.10 of the State of New Jersey entitled "Open  
8 Public Meetings Act."

9 Notice was sent to the Secretary of State  
10 who posted the notice in a public place. Notices  
11 were forwarded to seventeen New Jersey newspapers,  
12 two New York newspapers, two wire services, two  
13 Philadelphia newspapers and the New Jersey Public  
14 Broadcasting Television Station.

15 Madam Chair, with your permission I would  
16 like to call the roll.

17 DR.DONLEN: Yes.

18 (Roll call.)

19 MS. DAVIS: We have ten members of the  
20 State Health Planning board present which does  
21 constitute a quorum, Madam Chair.

22 DR.DONLEN: Thank you.

23 I do not have anything for a report this  
24 morning.

25 We have approval of the January 5th

1 minutes which were sent to you.

2 If somebody will give me a motion for  
3 approval?

4 MS. BENTLEY-MCGEE: I move that we approve  
5 the January 5, 2006 minutes of the meeting.

6 ( Seconded.)

7 DR.. DONLEN: Any discussion or changes?

8 (No response.)

9 DR.DONLEN: Roll-call.

10 (Roll-call was had.)

11 MS. DAVIS: The motion is carried.

12 DR.DONLEN: Commissioner's report, Mr.  
13 D'Oria?

14 MR. D'ORIA: Matthew D'Oria, Deputy  
15 Commission of the New Jersey Department of Health  
16 and Senior Services.

17 I will be very brief.

18 Charity Care remains funded at previous  
19 years level of 583.4 million, 70.4 million in  
20 Hospital Assistance grants were provided by the  
21 Legislature.

22 In addition we have five million dollars  
23 in grants for FQHC expansion of existing sites, and  
24 3.1 million dollars for cost of living adjustments  
25 for departmental grants.

1           There were Legislative restorations: half  
2   of the proposed reduction for nursing homes and  
3   medical day, about fourteen million dollars in  
4   total, were restored.

5           The Cancer programs that were initially  
6   slated to be cut by 18.3 million dollars were fully  
7   funded.

8           ADDP, the two dollar copayment was  
9   eliminated.

10          DR.DONLEN: Thank you.

11          This morning's agenda is to look at and  
12   hear about the certificate of need application for  
13   the relocation of the Capital Health System - Mercer  
14   General Hospital.

15          The way the presentation will be made is  
16   there will a Department presentation. After that  
17   the Board will have an opportunity to ask the  
18   Department about their presentation and their  
19   recommendation.

20          After that we will be having public  
21   comments. The public comments will be three minutes  
22   for each person for a maximum of one hour for all  
23   comments.

24          We have a list of people who have signed  
25   up, and that would probably take us the full hour.

1 If it does not I understand there are other people  
2 in the room who would like to speak. I will give you  
3 notice about fifteen minutes before so you can  
4 submit your names, but it doesn't look very hopeful  
5 at the moment. It depends on whether or not a lot of  
6 speakers don't take the full three minutes.

7 Then we will have the Applicant's  
8 presentation and then the Board will have its  
9 discussion in public and vote.

10 That's the agenda for the day.

11 Depending on how long the presentations  
12 and the discussion with the Applicant and the  
13 Department take we may or may not go all of the way  
14 through or we may break for lunch and come back  
15 afterward.

16 We will have to take a break at some point  
17 so we can let the transcriber have a paper change  
18 break and at that point we may take a short break.

19 That's the agenda for the day.

20 Does the Board have any questions?

21 (No response.)

22 DR.DONLEN: Does the Department have a  
23 presentation about the certificate of need?

24 MR. LAVERY (phonetic): Good morning, good  
25 morning to the members of the Board.

1                   My name is John. Lavery (phonetic). I am  
2                   the Director of the Department's Health Care  
3                   Facility Licensure Program.

4                   I am here today to present the  
5                   Department's recommendation on the application of  
6                   the Capital Health Care System to relocate their  
7                   Mercer campus from its present location in Trenton  
8                   about six miles away to a site in Lawrence Township.

9                   As with most closure and relocation  
10                  applications that we have all dealt with over the  
11                  years, this application is a difficult want to  
12                  review and analyze which is reflected in the Staff  
13                  recommendations and the conditions on the  
14                  recommendations for approval.

15                  The testimony at the public hearing  
16                  previously and what you will likely hear today is  
17                  that the removal six miles away will cause serious  
18                  problems with access to services for those currently  
19                  using the Mercer Medical Center.

20                  In general the Staff recommendations  
21                  disagree with that except in the case of maternal  
22                  and child health services and the reasons stated  
23                  for that are:

24                  Number 1, that the move will definitely  
25                  seriously and irreversibly damage other hospitals,



1     that there will be some impact on growth rates to  
2     other hospitals.

3                 We cannot conclude that that kind of  
4     serious economic or financial harm will occur.

5                 Some will argue that we did not spend  
6     enough time looking at market share analysis and the  
7     projections of market share.

8                 As many of you know, it would be extremely  
9     difficult to project five or more years into the  
10    future something like market share.

11                There are different mathematical models  
12    that we used and different assumptions we used and  
13    each of those, depending on which one you choose,  
14    will alter the analysis.

15                We are talking about the projections in  
16    this case of a very small area and resident  
17    population growth and other changes such as gaining  
18    in population in those particular zip codes, the  
19    health status, making assumptions of which way they  
20    will go for health care, what physicians they might  
21    use, what the physician population around that area  
22    might be.

23                There are no regulations to guide the  
24    methodology to use as mathematical models for any  
25    assumptions, there are no regulation to guide that,

1 nor is there any guidance that would specify a  
2 base-line that the number is good, bad or  
3 indifferent.

4 In addition we all know that in 1998  
5 certain medical facilities were deregulated by the  
6 Legislature for a certificate of need. That  
7 indicated their desire to see a more competitive  
8 environment for the service.

9 Some will argue that there is no need for  
10 a hospital in Lawrence Township. Staff would agree  
11 in a literal sense, but in New Jersey today most  
12 hospitals serve a far larger area than the specific  
13 municipality in which they are located.

14 I will also note that since 1998 the  
15 Department's policy on these kinds of applications  
16 has been not to second-guess the decisions of the  
17 Board but to insure that the application reasonably  
18 complies with all of the statutory and regulatory  
19 criteria.

20 I will now present the recommendations.  
21 You have copies of the recommendations. I will try  
22 not to read word-for-word for everything.

23 The first part of application is a project  
24 description by the Applicant. Here they give the  
25 types of beds, the number of beds, the service

1 types, they propose to maintain the same number of  
2 beds as currently which total three hundred twenty  
3 beds, some are increased, some decreased, some  
4 categories stay the same.

5 They also in their response to questions  
6 agreed they would set up a community perinatal  
7 center in the Fuld Division and would like the  
8 Department's approval to add four intermediate at  
9 that site. That is what they have asked for in  
10 their application.

11 They propose to continue to provide  
12 prenatal and outpatient pediatric clinics at their  
13 current site at Bellevue Avenue right across from  
14 the hospital and they propose to operate a  
15 satellite Emergency Department at the current  
16 hospital site.

17 They also propose that they would offer  
18 the same transportation options that they do  
19 currently in terms of using mini-vans and small  
20 buses, they are also working with the Greater Mercer  
21 Transportation Authority to establish a bus-stop at  
22 the proposed new site, should it be approved.

23 They agree that there will be problematic  
24 travel time for people who go to their current site  
25 but that travel time by ambulance is minimal, and

1     they will have the van and voucher services for  
2     those who can't get there any other way, they will  
3     have vouchers for taxicabs, vouchers for busses for  
4     patients and the visitors of such patients.

5             The Applicant in terms of the  
6     justification, they state that relocation is central  
7     for the long-term financial well-being of the entire  
8     Capital Health System including the hospitals that  
9     they would maintain in Trenton, Capital Health  
10    System at Fuld.

11            The Applicant states that the existing  
12    physical plant is obsolete and needs a replacement.  
13    However, to replace or renovate at that site would  
14    cost in excess of two hundred million dollars and  
15    would still be an older building anyway.

16            They believe that the City of Trenton  
17    with its population declining cannot continue to  
18    support three hospitals, that it would be fiscally  
19    irresponsible for them to invest resources into the  
20    existing site.

21            And they believe that the population  
22    growth in the Mercer County suburbs require the  
23    capacity in the suburbs to match that growth.

24            Finally, they argue that the long-term  
25    viability of the remaining hospital in Trenton,

1 Fuld, will require cost subsidies from a relocated  
2 Mercer and that they would be able to tap into the  
3 growing population so there will be a cross-  
4 subsidization from the relocated Mercer in the  
5 suburbs to the hospital in the City, Fuld.

6 They believe that they would not hurt  
7 other hospitals and that they would capture only a  
8 portion of the growth in demand for hospital service  
9 within Mercer County.

10 The targeted implementation date for this  
11 project is 2009, although the Staff believes that  
12 this may be somewhat optimistic.

13 On page 3 of the Staff's recommendation  
14 the Applicant indicates how they attempt to address  
15 the statutory criteria, and I will go through that  
16 briefly with you.

17 The first criteria is, is the project  
18 necessary to provide quality health care in the  
19 area to be served?

20 The Applicant states that during the  
21 period 2000 - 2003 Capital Health System experienced  
22 a 6 percent decline in admissions compared to a 9  
23 percent increase in admissions county-wise.

24 The Applicant believes that its Mercer  
25 campus is in the early stages of a decline that

1 would be irreversible if they remain at the present  
2 site.

3 They note how they would continue to serve  
4 the citizens of Trenton with expanded services in  
5 the trauma, therapy and emergency department and  
6 psychiatric services at its Fuld Division and they  
7 have a thirty seven million dollar program at its  
8 Fuld Division.

9 Basically this demonstrates their  
10 commitment to Trenton and the residents of Trenton  
11 who are most needy of their services.

12 They believe that they can attract more  
13 new patients their new location and a payer mix that  
14 will include more insured patients.

15 Again, they agree to cost-subsidize the  
16 Fuld Division that remains in Trenton from the  
17 relocated Mercer Division.

18 The second statutory criteria, that it  
19 will not have an adverse or financial impact on  
20 delivery of health care services in the region or  
21 state-wide and will contribute to the orderly  
22 development of adequate health care services.

23 The Applicant believes that the relocation  
24 would lead to a more healthy balance at most Mercer  
25 County hospitals, arguing that the Trenton based

1 hospital has been affected by changing  
2 demographics. They don't believe that a City of  
3 eighty-five thousand with a declining population can  
4 continue to support three hospitals.

5 To relocate one of their hospitals will  
6 allow them to regain what at one time was their  
7 historic share of the Mercer County market.

8 And that the health care in the City of  
9 Trenton will be seriously jeopardized without the  
10 relocation.

11 The third criteria, they believe that they  
12 are the alternative to go out and meet what they  
13 believe is a growing demand in the suburban Trenton  
14 area.

15 They believe that the relocation would not  
16 cause a decline in admissions to other Mercer County  
17 hospitals, although it would be expected to slow the  
18 rate of growth at the other Mercer County hospitals.

19 The fourth criteria, the need for special  
20 equipment and services in the area.

21 Again, they feel that their relocation  
22 complies with that criteria. They are not in  
23 essence changing their service in their application,  
24 they are simply moving in their proposal lock, stock  
25 and barrel from one site to another site.

1           The fifth criterion is the adequacy of  
2   financial resources for present and future  
3   residents.

4           They indicate that the proposed  
5   investment in this project is two hundred and ninety  
6   one million dollars and it is well within the  
7   existing capital capacity of the the total project  
8   cost of two-ninety-one, sixty eight and-a-half  
9   million would be provided in equity and the  
10   remaining cost would be funded through the issuance  
11   of tax exempt bonds.

12           The final criteria, the availability of  
13   sufficient manpower in the several professional  
14   disciplines, again they believe they comply with  
15   that because they will keep what they have now and  
16   they will keep most of the entire staff that they  
17   currently have.

18           On May 10 the State Health Planning Board  
19   had a public hearing in Trenton High School. There  
20   were three hundred twenty two people who came to  
21   that public hearing. forty-one people spoke.  
22   Twenty-six were opposed to the project at that  
23   time, mostly based on the loss in Trenton of the  
24   Obstetrics Department and the Neonatal Intensive  
25   Care Unit.



1                   And a number of speakers spoke of their  
2                   concern about continued access to primary care  
3                   service.

4                   Thirteen speakers, most of them Capital  
5                   Health employees, were in favor of the project, they  
6                   believe that the new location would enable the  
7                   facility to have a state-of-the-art facility with  
8                   all of the latest in electronic equipment and  
9                   amenities for the patients.

10                  In terms of the Department Staff's  
11                  analysis and recommendation, as I noted this  
12                  application raises very complex issues.

13                  The Applicant argues that the long-term  
14                  care viability of three hospitals in Trenton is  
15                  dubious, and we certainly cannot disagree with  
16                  that.

17                  The financial indicators that we see for  
18                  Capital Health are very strong, especially in  
19                  comparison to a number of other urban hospitals in  
20                  the State.

21                  With respect to the occupancy rates of the  
22                  hospitals in Trenton and in the surrounding  
23                  communities of Mercer County, there are very low  
24                  occupancy rates for the Trenton hospitals and higher  
25                  occupancy rates for the suburban Mercer County

1 hospitals. I can read that to you but it is all  
2 there in the appendices.

3 If you are on page 6 with me, I want to  
4 note that there was a mix-up in a line here. In the  
5 last paragraph in comparing the categories from 2003  
6 to 2005 for all five Mercer County hospitals,  
7 Department Staff noted that with the exception of  
8 the occupancy rate at Hamilton, which is ninety  
9 percent, all of the other remaining hospitals were  
10 below fifty percent.

11 The other exception is the Medical Center  
12 at Princeton which is at fifty four percent.

13 We believe that Capital Health System  
14 instead of waiting until the utilization at Mercer  
15 declines which would force a closure, that this is  
16 the only alternative. We know what happened at a  
17 number of other New Jersey hospitals in cities with  
18 declining populations that didn't relocate to a  
19 setting to enable it to become more competitive in  
20 terms of payer mix.

21 It is clear that the intent of the  
22 application is to regain market share and that  
23 regaining such market share would come at the  
24 expense of a slow growth rate for the current Mercer  
25 County suburban hospitals.

1           The key questions then for all of us is  
2   whether it is consistent with the statutory criteria  
3   which I just went over to relocate Mercer into the  
4   service area currently being served by other  
5   existing hospitals, and whether such relocation  
6   would reduce access to care for the population  
7   currently served by Mercer in its current location.

8           With respect to the first question,  
9   Hamilton in Trenton can be expected to argue that  
10  there is no need for a hospital in Lawrenceville  
11  that cannot equally well be served by existing  
12  hospitals.

13          Staff does not disagree with this argument  
14  and finds Capital's attempt to argue that it will  
15  not affect utilization of other area hospitals  
16  somewhat unconvincing.

17          Nevertheless, this argument against this  
18  proposed relocation does not take the analysis in  
19  our view far enough. Neither Hamilton nor Princeton  
20  provide such services within the City of Trenton.  
21  Capital currently provides extensive services to  
22  Trenton residents and commits to maintaining one of  
23  its two hospitals in Trenton for the foreseeable  
24  future.

25          While it is true that Capital Health

1 currently has one of the strongest operating margins  
2 of any New Jersey hospital system, which was not  
3 always the case, it can be assumed that good  
4 management will be sufficient over the long-term to  
5 keep the system viable with the two Trenton  
6 hospitals despite changing population patterns and  
7 hospital utilization within the County.

8           To the extent that Capital commits to  
9 retain one hospital in Trenton and providing  
10 subsidies to that hospital from a relocated  
11 division, Department Staff have concluded that the  
12 proposed relocation is necessary to assure access of  
13 care to Trenton residents over the longer term.

14           The Department Staff have also concluded  
15 that no firm evidence has been provided by the  
16 competing hospitals that this proposed relocation  
17 would cause them significant harm as a result of  
18 increased competition and affect their future  
19 opportunity for future growth. Thus, there is no  
20 evidence of economic or financial impact on the  
21 health care service for the region.

22           Department Staff also finds that the  
23 proposed relocation will serve the needs of Trenton  
24 residents over the long-term and would contribute to  
25 the orderly development of adequate and effective

1 health services.

2 With respect to the second question,  
3 whether the proposed relocation would significantly  
4 reduce access to care for the population currently  
5 served by Mercer Hospital, Department Staff believes  
6 that relocation of the regional perinatal center  
7 outside of Trenton would present an unacceptable  
8 reduction in access of care for Trenton City  
9 residents.

10 Presently Mercer is the only provider of  
11 perinatal pediatric care for the City of Trenton.

12 Although Capital modified its initial  
13 application, it indicated it would open a community  
14 perinatal center at Fuld and discussed having a  
15 community perinatal intermediate at Fuld, that the  
16 overwhelming majority of women in labor arrive at  
17 Mercer by car, therefore, the relocation would not  
18 be much of a problem.

19 This ignores the fact that an important  
20 component of the care provided is ongoing  
21 interaction between the mother and the baby.

22 Now on page 8, I won't go on reading all  
23 these numbers, but we have also received data from  
24 our Medicaid program, you have the data in front of  
25 you. You will see in our recommendation that the

1 regional perinatal clinic will have to remain in  
2 the City of Trenton.

3 The Department believes that requiring  
4 the families of infants and children hospitalized in  
5 neonatal intensive care or in the pediatric  
6 inpatient unit, many of whom are low income, to  
7 travel to Lawrenceville during the course of their  
8 children's hospitalization is an unreasonable burden  
9 to place on these families.

10 Accordingly then the Department Staff  
11 recommends that CHS be required to relocate the  
12 regional perinatal center to Capital's Fuld in order  
13 to continue to serve the Trenton population that is  
14 the largest source of admission for these  
15 specialized services.

16 The Department and Staff understand that  
17 Capital is also seeking to serve as a suburban  
18 perinatal center to serve the population base and  
19 believes it needs to be accommodated in the  
20 operation of a community perinatal center  
21 intermediate in Lawrenceville.

22 Such a center would then put the relocated  
23 Mercer on the same footing as the other suburban  
24 Mercer County hospitals further assuring that the  
25 proposed relocation would contribute to the orderly

1 development of adequate and effective services in  
2 the region.

3 The Applicant is committed to maintaining  
4 outpatient perinatal pediatric services on Bellevue  
5 Avenue across the street from the hospital. The  
6 center provides various maternal and health services  
7 as well as housing the health care clinic for women  
8 and children.

9 The hospital director has confirmed to  
10 the Department Staff that the center will conduct a  
11 prenatal and obstetrics clinic from Monday through  
12 Friday from eight to four-thirty. The pediatric  
13 clinic operates from nine to twelve with less than  
14 a week's wait time.

15 The relocation of Mercer we do not believe  
16 will create a barrier to those receiving emergency  
17 services. The satellite emergency department will  
18 begin operation twenty-four hours a day, seven days  
19 a week, at the time the relocated Mercer is approved  
20 and licensed.

21 We have discussed this a number of times  
22 in these kinds of applications and the literature  
23 shows that much of the emergency room visits are not  
24 emergencies as much as they are primary care type  
25 visits.

1                   Although basic perinatal services and  
2                   intermediate bassinets are no longer subject to a  
3                   certificate of need review they can be added or  
4                   subtracted to a licensing process at any time.

5                   Department Staff does note the relatively  
6                   low occupancy in OB and perinatal services has  
7                   occurred in Mercer over the past three years, and  
8                   that's in one of your appendices, a seventy percent  
9                   occupancy rate could have been achieved in 2005.

10                  CHS has proposed a total of sixty four in  
11                  their current license capacity. While a new  
12                  hospital may draw additional OB patients, Staff is  
13                  aware that Hamilton also offers OB beds.

14                  The appropriate utilization of OB beds may  
15                  be difficult for Capital to achieve. However, this  
16                  is the hospital's business decision as it is also a  
17                  business decision as to the number of  
18                  medical-surgical beds which also do not require any  
19                  certificate of need review to add or subtract.

20                  In terms of the Staff recommendation,  
21                  Department Staff believes that the application  
22                  reasonably complies with all of the statutory and  
23                  regulatory criteria and we recommend approval of the  
24                  proposal to relocate Mercer to a new facility to be  
25                  built in Lawrence Township with the following



1 conditions:

2           The first condition, within two years of  
3 the date of this approval that Capital shall submit  
4 to the Department for review and approval a  
5 communications plan for informing all residents of  
6 Trenton and the surrounding communities as well as  
7 local government and emergency services providers of  
8 the date of the cessation of the services at the  
9 current site and the implementation of services at  
10 new site which will include a mechanism of  
11 responding to questions from the public regarding  
12 project implementation and transportation concerns.

13           The second condition, as part of Capital's  
14 commitment to the City of Trenton the clinics that  
15 we talked about, the prenatal, OB and pediatric,  
16 that have been established at the Family Health  
17 Center, shall continue at that site after the  
18 hospital relocates.

19           These clinics shall expand their hours of  
20 operation to include evening hours at least three  
21 times a week and operate at least half a day on  
22 Saturday.

23           These expanded services shall be operating  
24 before the Department shall license the replacement  
25 facility in Lawrence Township.

1           Plans of implementing the increased hours  
2     and to advise the public of same shall be submitted  
3     to the Department for review and approval one year  
4     from the date of its approval.

5           The third condition, Capital Health System  
6     shall establish and maintain a satellite Emergency  
7     Department at 446 Bellevue Avenue  
8     concurrent with the relocation of the Mercer campus.

9           As part of that, it shall be operated and  
10    licensed in accordance with the Department's  
11    regulations for such services and hospital licensing  
12    standards and remain in operation for a minimum of  
13    three years, and Capital must provide one hundred  
14    twenty days notice and receive written approval from  
15    the Department prior to reducing services or hours  
16    of operation at the satellite Emergency Department.

17          The fourth condition, transportation  
18    services for patients and their families described  
19    in the application shall be in place and operating  
20    at the time of licensure of the replacement  
21    hospital.

22          The plan for the development of the system  
23    shall be approved by the Department and shall be  
24    submitted to the Department within eighteen months  
25    of the date of approval.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

5  
6  
7  
8  
9  
10

11  
12  
13

14

15

16

17  
18  
19  
20  
21  
22  
23  
24

25

1 in accordance with the certificate of need rule,  
2 Capital Health System shall obtain written  
3 authorization from the Department for any change in  
4 location of the replacement hospital as described  
5 in the application.

6 In a nutshell, Staff's recommendation is  
7 for approval with the conditions that I have just  
8 mentioned.

9 We agree that the current physical site is  
10 obsolete, we agree that Capital Health System is  
11 planning for the future to insure its viability and  
12 insure its continued services to the residents of  
13 the City of Trenton, and I would be happy to  
14 respond to any questions anyone on the Board may  
15 have.

16 QUESTIONS BY MS. OLSZEWSKI:

17 Q Would you go back to number 9?

18 Would your recommendation provide--first I  
19 want to say that as usual Staff has done a very  
20 thorough job in a very complex situation so I want  
21 to commend you on that.

22 It was very interesting, your  
23 recommendation.

24 When we talk about the first requirement,  
25 NJSA 26:2-(a)1, while I resonate with many of your

1 arguments, it isn't as clear to me that this  
2 particular one has been satisfied by the Applicant.

3 In other words, it seems to me that Staff  
4 is saying sort of not necessary but okay anyway?

5 A I am not quite sure I understand you.

6 Q Well, there are other providers in the  
7 area, so on the one hand for that area of the State,  
8 can that be met? It isn't clear to me that the need  
9 would not be met.

10 A I think Staff's recommendation, what I read is  
11 that we acknowledge that there are other hospitals  
12 that will serve that area and the relocated hospital  
13 will likely have some impact on the growth rate of  
14 those hospitals.

15 However, we are looking at it in terms of  
16 not just what you just mentioned but the future  
17 viability of Mercer and the strategic plans before  
18 this hospital has financial problems, the City of  
19 Trenton can't have three hospitals, and that before  
20 Mercer gets into really deep financial trouble and  
21 has some other decisions to make that we have all  
22 dealt with here before, they have said, We can move  
23 just a few miles away just outside of the City  
24 limits of Trenton, get part of the suburban market  
25 and yet maintain a good close connection with

1 Trenton, and they can support financially the  
2 hospital that does remain in Trenton with what they  
3 are going to be doing out here.

4 So we understand what you are saying, and  
5 there may be some impact on growth rates, but on the  
6 whole, taken as a whole, this application, looking  
7 at it from those other hospitals, looking at how to  
8 serve best the City of Trenton, we think this is the  
9 best way to do it.

10 Q Just so I can be clear on this myself,  
11 you are saying that you are looking not just at the  
12 area around, you are saying that it is necessary for  
13 the City of Trenton for Capital to have a facility  
14 which brings in enough capital to be able to  
15 support the facility in Trenton in the longer term?

16 A Yes.

17 QUESTIONS BY MS. AINORA:

18 Q I don't really think you have the  
19 authority to tell a hospital that they need to stay  
20 for ten years, I understand why you say that but to  
21 put a condition on it as a condition, I don't know  
22 that you have the authority to do that.

23 A We believe we do. Any conditions placed on the  
24 certificate of need application becomes licensure  
25 conditions; we believe that we can impose that.

1 MS. RASKIN: I believe they have broad  
2 authority to put conditions on licensure.

3 A Again, part of this issue again is that the  
4 hospital is making the argument in the longer term  
5 that, We will move to a slightly different  
6 population base that will strengthen them.

7 Q I just wanted to make sure you had the  
8 authority to do that.

9 My second question is, if I may, in number  
10 2, I understand wanting to expand the clinic hours.  
11 I will suggest to you that that should be based on  
12 some market reasonableness.

13 For instance, just to expand and not have  
14 any patients show up, it is very difficult to run a  
15 hospital, it is sometimes hard to have the staff, it  
16 is sometimes difficult to get patients to come to  
17 inner-city after hours.

18 I think it is a great idea but there  
19 should be some reasonableness involved because just  
20 to expend money to keep the clinic hours open and  
21 the patients are not coming to the clinic six, seven  
22 o'clock in the evening--I suggest to you that while  
23 I support that condition I would suggest that there  
24 be some level of reasonableness in terms of tracking  
25 volume and making sure that it makes sense.

1 A That's why we put it in terms of our plan. I  
2 recognize what you are saying, of course.

3 The concern that was expressed at the  
4 public hearing was that taking the hospital and its  
5 Emergency Department away would somehow have a  
6 negative impact on primary care service so we  
7 thought if they operated only until four thirty or  
8 so that this would be a way to resolve that.

9 Q I believe there was a misrepresentation to  
10 the public: why did you chose to do a satellite  
11 emergency there when Fuld is two miles away?

12 I am just curious as to why.

13 A I think the reason that we said that and have  
14 the three year provision is that as we all know it  
15 is difficult for a community, any community to move  
16 a hospital, and to ease the transition from having  
17 no emergency services in the community at all, to  
18 set at ease that condition for a period of time  
19 until the various recommendations for expanded and  
20 preventive purposes actually take hold, that will  
21 serve as a buffer, if you will, during the  
22 transition period.

23 Q Thank you.

24 I think I have no further questions

25 QUESTIONS BY MR. BARONE:



1           Q     I want to echo the comments made earlier,  
2     you have done an excellent job, but just to clarify,  
3     you have sort of alluded to the fact that you don't  
4     think that there will be an adverse impact on the  
5     other hospitals, institutions, where Capital is  
6     moving into, Robert Wood Johnson and Hamilton,  
7     Princeton Medical Center other than decreasing the  
8     growth.

9                     But some would argue that impacting on an  
10    entity's growth could have adverse financial  
11    consequences.

12                    So you are willing to take that risk, to  
13    preserve the Fuld entity so at least we can have  
14    that entity maintained in a viable status in  
15    Trenton, so it seems like there are a lot of moving  
16    parts to it?

17    A     I agree, there are a lot of moving parts.

18                    We couldn't accurately gauge it but there  
19    are population shifts. Should this application be  
20    approved with two hospitals relatively close to each  
21    other, that would be an interesting experience for  
22    all of us involved.

23                    Again I go back to say, there has been no  
24    documented evidence that there would be serious  
25    irreversible economic impact. There is really no

1 way of measuring that. We have made some judgments  
2 here that that won't be the case, there will be some  
3 impact but considering that and considering the  
4 impact on the City of Trenton, too, how it would be  
5 viable for the City of Trenton's needs as to the  
6 perinatal center, so that all these moving parts  
7 together comes to in our mind this recommendation.

8 MS. BENTLEY-MCGEE: I have a question, and  
9 I want to know if it is okay to refer to the  
10 comments made at the public hearing?

11 DR.DONLEN: Sure. We all got the  
12 transcript of the public hearing so we are all aware  
13 of what was said there.

14 QUESTIONS BY MS. BENTLEY-MCGEE:

15 Q What I was looking for, one of the  
16 comments that was made, and I believe it was made by  
17 the former Mayor, he talked about zoning and the  
18 fact that the proposed site for the replacement  
19 hospital has not yet been either approved as a site  
20 for a hospital or may not be approved and that there  
21 were questions about that area.

22 I am just wondering if that is something  
23 that you considered or is it anything that we need  
24 to be concerned about?

25 A Over the years, and I have actually served on

1     Zoning Boards in the town I live in, Zoning and  
2     Planning Boards will not change their current zoning  
3     for a health care facility that requires a  
4     certificate of need approval until the State has  
5     acted on the certificate of need application.

6             In other words, they don't have to have  
7     that land zoned for the hospital, they just have to  
8     be able to have a site, if the certificate of need  
9     is approved then they start to go through the zoning  
10    process in the municipality. That happens with all  
11    CON applications.

12            Q     What happens if this application is  
13    approved and then the site is not approved, do you  
14    worry about that?

15            A     We may have to worry about it at the time.  
16    This happens a lot in other facilities.

17             It happens with nursing home facilities,  
18    they get their approval and then they have to  
19    discuss it with the municipality. Depending on the  
20    zoning issues, if they are around the ocean they  
21    have to have a CAFRA approval, in some areas they  
22    have to go to the Historical Commission.

23             Those zoning entities don't take any of  
24    their actions if a certificate of need is required  
25    until that is approved.

1           Q     If this application is approved and yet  
2     the site plan for the site is not approved, have you  
3     had any experience like that?

4     A     Not for a hospital. We have had it for other  
5     facilities. That's why we put that last condition  
6     on. It has to come back to the Department.

7                     They said they are going to go to site X,  
8     if they have to go to site Y we would have to look  
9     at it again, they would have to come back and say,  
10    For whatever reason we can't go there, we want to go  
11    here, so we would have to reassess it then.

12    QUESTIONS BY MS. AINORA:

13           Q     Your recommendation about the perinatal  
14    regional center, did you have any discussion with  
15    the Applicant on that and the local maternal center,  
16    do they have any opinion on the relocation?

17    A     The latter I don't know, we have not had a  
18    chance to discuss it with the Applicant.

19                     DR.DONLEN: That was one of the questions  
20    on my list.

21    QUESTIONS BY DR.DONLEN:

22                     I think Staff did a lot of work.

23                     I guess the question I have is, and this  
24    is a difficult question for me, you focused on the  
25    fact that the other hospitals rate of growth would

1 be decreased, but as I look at the numbers and I  
2 look at what Mercer is projecting in terms of  
3 increases in the various groups, for instance,  
4 medi-surge bed increase, admissions increase, about  
5 five thousand, five thousand admissions, it doesn't  
6 seem to me that the kind of changes that they are  
7 projecting could only be affecting growth by 2009,  
8 it may be long-term, we may be looking at 2020, but  
9 five thousand new admissions in 2009, 2010, have got  
10 to come from the hospitals serving the area.

11 The other thing that really concerned me  
12 is, focusing on the percentage, the occupancy rate,  
13 I see a lot of inconsistencies.

14 Focusing on the occupancy rate of the two  
15 hospitals, let's say intermediate beds, you see that  
16 Mercer opens an intermediate nursery unit at the new  
17 hospital, they are taking something like fifteen  
18 beds, and the other two hospitals have four each, so  
19 when you look at them, one being one hundred twenty  
20 five percent, that's five beds, one being one  
21 hundred percent is four beds, to get an increase up  
22 to even twelve beds it has to come from those two  
23 hospitals, so you begin to look at the viability of  
24 those intermediate units if they are going there.

25 And there are twenty five hundred births

1 at this hospital. When I look at other  
2 inner-cities, when I look at urban areas with twenty  
3 five hundred births, that's a lot of births, and  
4 what I couldn't find out from it, you talked about  
5 admissions of babies to the NICU, but the marjority,  
6 the biggest feeder is Trenton, what's the feed rate,  
7 where are they coming from for those twenty five  
8 hundred births?

9 If you look at the demographics for those  
10 twenty five hundred births, because it seems to me  
11 that that's a high number in Trenton, you are moving  
12 that over to Fuld, and they are still projecting a  
13 growth rate when they move out there, it has to come  
14 from the other two hospitals so it is not just the  
15 other two hospitals growth rate in the short-term.

16 And on the projections on what is going to  
17 happen to the payer mix, it stays the same as if  
18 they were still in Trenton, but if the idea is that  
19 Trenton can't support three hospitals so we are  
20 going to have two, the admissions projections for  
21 either of those two don't increase, they stay flat,  
22 and the payer mix stays the same, for the new  
23 hospital it is exactly the same.

24 So instead of acknowledging that we are  
25 looking at changing the payer mix so that we

1     increase the income, to increase the revenues to  
2     help Fuld be viable for Trenton we are looking at  
3     what I don't believe are reasonable numbers.

4             Fuld isn't changing, it still has close  
5     to seven thousand admissions in 2009, St. Francis  
6     has two thousand more, and Mercer has a flat payer  
7     rate if all Trenton admissions are going with them,  
8     so it doesn't make sense.

9     A     I understand what you are saying. Let me tell  
10    you a couple of things.

11            Q     This is in terms of an orderly roll-out  
12    of new services, that's the kind of thing that I can  
13    question the Applicant on now but I have ten,  
14    fifteen minutes today, and there hasn't been the  
15    kind of analysis to say that this is reasonable,  
16    given what you are saying.

17    A     You'll note that our condition is that they  
18    have to come in with a plan for the orderly  
19    distribution of OB and C beds, intermediate  
20    bassinets, and it can't be all fifteen nursery  
21    bassinets. The regional perinatal center will be in  
22    Trenton, some number of the intermediate bassinets  
23    will have to stay in Trenton if it is approved.

24            The intermediate bassinets then would be  
25    some number probably based on how we are looking at

1     it, and so we are probably looking at the number of  
2     intermediate bassinets at the relocated Mercer that  
3     would somewhat be similar to RWJ and Princeton.

4             Therefore, those two hospitals would be on  
5     equal footing in terms of their perinatal level.

6             So that's one of the things that we did  
7     look at, where the mothers are coming from, how many  
8     of these beds will go there?

9             Q     That's my question.

10    A     And I think we need to have someone, we need to  
11    have this planed by the Applicant because they are  
12    going to have two different places.

13            Q     I hear you, but even if you stayed with  
14    the number at fifteen, I am assuming we will stay  
15    with the number at fifteen, so if you have six beds,  
16    immediate, even if you took them and put six beds at  
17    Fuld and nine beds at the new center or vice-versa,  
18    they are now with the occupancy rate that you talked  
19    about, you talked about the fact that it was only  
20    sixty percent, sixty-one percent, it sounded like  
21    the other two would run at one hundred twenty-two at  
22    seventy five percent, that's filling nine beds, and  
23    if they want to come back up to seventy five or  
24    eighty percent that's twelve beds, so you have got  
25    to get them from somewhere else.



1                   And that is a big change to go from five  
2   beds to two or three and try to run an intermediate  
3   unit with only two or three beds filled because  
4   they are going presumably to the new campus.

5                   It's not a growth rate issue, it's an  
6   impact issue.

7   A     But it's also a growth rate issue. It depends  
8   on the age structure of the population.

9           Q     But the birth rate is flat, it only  
10   recently just started to rise minisculy and so as  
11   you are looking at this, if they are talking about  
12   opening in 2009, you are impacting what happens in  
13   2008 or whatever the previous years were for the  
14   other two hospitals that have very small margins on  
15   those units. Those are four bed units.

16                  I am worried about that this has been  
17   presented as a saturation issue, that the  
18   percentages are high in the other hospitals, they  
19   are low in this hospital and this will increase the  
20   rate, their occupancy rate, but it has to be a  
21   diadvantage for the other two in a way that hasn't  
22   been examined.

23   A     I respectfully disagree. I think it is  
24   optimistic to say that we will be licensed and  
25   operating in 2009, but be that as it may, we think

1     that the suburbs are growing, it appears that they  
2     have these housing developments --

3           Q     It goes back to your analysis, you  
4     accepted five thousand med-surge visits in the first  
5     year of them opening and then you turn around and  
6     say this is the growth rate for the other two  
7     hospitals. They are inconsistent.

8                     You accepted the fact that the payer mix  
9     is going to stay the same and yet the justification  
10    is the support of the Trenton hospital, so that  
11    there will be revenues, to continue to have revenues  
12    to keep the Trenton hospital open, and that taken  
13    into consideration with the payer mix and the growth  
14    rate for Fuld is not projected to increase.

15    A     I think we are looking at the growth rate and  
16    interpreting it somewhat differently.

17                     When the hospital opens four or five years  
18    from now, whenever it might be, the extra increased  
19    admissions will come from the growth we now project.

20           Q     Except the Fuld admissions are now seven  
21    thousand.

22    A     We are talking about the new Mercer.

23           Q     All I am saying is that as I see it that  
24    they are going to take their current admissions and  
25    they are going to get an additional five thousand.

1                   By those numbers if they are going to try  
2     to increase the occupancy of the Trenton hospital  
3     then some of what they have of the five thousand has  
4     to be not only the suburban admissions but they have  
5     to give up some of their Trenton admissions as well  
6     to get those two hospitals to have better occupancy  
7     rates.

8     A     We may be looking at this from a slightly  
9     different point of view. The growth rate between  
10    now and when the new hospital will open will be the  
11    majority of the new patients that will be going to  
12    Mercer.

13           Q     All right, I disagree.

14                   And then the issue becomes, I don't  
15    believe that we have any evidence in the application  
16    that the Trenton admissions will be diverted to the  
17    current Trenton hospital which is part of it, that  
18    the City can't afford three hospitals so we are  
19    going to have--let me take a drink of water, talking  
20    makes my mouth water.

21    A     I am glad I have some effect on you.

22           Q     You do.

23                   Trenton can't afford three hospitals, but  
24    this is the hospital with the highest number of  
25    admissions, this is the hospital which I think if I

1 read the numbers correctly, this is the hospital  
2 which had forty-two thousand Emergency Room visits,  
3 this is the hospital that is moving out, and much of  
4 the assumption is that the Trenton clients they  
5 serve won't have difficulty following it and getting  
6 care there, but on the other hand the reason for it  
7 is that Trenton can't support three hospitals.

8 It doesn't make sense unless you are  
9 looking at projecting a change, and I do think there  
10 will be a change, I do think the other two hospitals  
11 will be impacted.

12 So the idea of moving, as we talked about  
13 in the past, even if twenty-four hours ambulances  
14 are available and a lot of people will choose to go  
15 to the other ERs, I don't think there has been an  
16 analysis on the effect of the other two remaining  
17 hospitals will be, how many admissions from the  
18 Mercer forty-two thousand ER visits?

19 A I don't know that.

20 Q That's a significant number because those  
21 people aren't going to find their way there, they  
22 are going to wind up in the other two hospitals.

23 What's the waiting time now in those  
24 hospital Emergency Rooms, how many of the ones are  
25 going to be admitted, are sixty, seventy percent of

1 the ones going to be admitted going to wind up  
2 finding their way to the other two hospitals?

3 I don't think that in terms of an orderly  
4 roll-out, not the effect on the new area but the  
5 effect on Trenton for inpatient care, I am thankful  
6 for the stuff about the clinics and the prenatal  
7 care, I think the idea of the RPC staying there is  
8 wonderful, I think that absolutely has to happen.

9 But I do think we are underestimating the  
10 loss of all those beds, the loss of the ER and the  
11 loss of the admissions from the ER and the effect  
12 that that will have on the other two hospitals.

13 QUESTIONS BY MR. HAVENS:

14 Q Using these ratios, it takes about a  
15 thousand people to create a hundred admissions, so  
16 to generate marginally speaking five thousand new  
17 patients it would require a population growth of  
18 about fifty thousand at one hundred percent market  
19 share?

20 A I don't think we are trying to make the  
21 argument that there won't be the slightest impact on  
22 the other remaining hospitals.

23 We are saying that in the environment of  
24 Mercer County and the City of Trenton today is this  
25 a reasonable, viable way of taking all those moving

1 parts and moving them in the correct direction so  
2 that we end up with a system that will enable the  
3 hospital to serve the City of Trenton with a trauma  
4 center and with a regional perinatal center by  
5 moving this hospital six miles, three miles outside  
6 of the City limits of Trenton, that we think will  
7 attract the City of Trenton residents because it is  
8 going to be brand-new with the latest gizmos and  
9 things like that.

10 We think that there will be some impact on  
11 some of the other hospitals, we believe that most of  
12 the impact will come from the growth.

13 I can't stand here and tell you there  
14 won't be any other impact because, again, all those  
15 kinds of things I am projecting and forecasting on  
16 are very small areas, are extremely difficult for us  
17 to say conclusively especially with no rules.

18 So we think based on our judgment looking  
19 at all of the moving parts we are talking about that  
20 this is the most viable way in conformance with all  
21 of the statutory and regulatory criteria.

22 Will there be some impacts? Of course  
23 there will be on the City of Trenton residents,  
24 there will be some impact on suburban residents, but  
25 we believe on the whole, though, that these impacts

1 will be positive for the general area.

2 QUESTIONS BY DR.DONLEN:

3 Q I just want to ask, you're saying that  
4 they have met the statutory requirements, that only  
5 goes so far as what it is that you looked at. I'm  
6 concerned about that.

7 It is compliant with the statutory  
8 requirements if we accept that it will only affect  
9 the growth of the hospitals, that it is not going to  
10 seriously impact them to the point of them having  
11 problems surviving, the fact that they wouldn't  
12 supply that information, I found that in the  
13 comments, that the Department said that neither of  
14 the other two hospitals showed, I guess what it  
15 meant was specific downfall in terms of what their  
16 operating margin would be for you to say that that  
17 made sense.

18 And the thing that wasn't questioned was  
19 in terms of flat payer mix and projection of  
20 increased admissions without any concurrent change  
21 in the admissions at Fuld.

22 They doesn't say to me that the analysis  
23 has really looked at the statutory criteria as to  
24 the impact on other providers and the orderly roll-  
25 out of services.

1                   I am very concerned about the urban area  
2     and the continuation of the availability of  
3     services, and if there was something by which I  
4     could be reassured about this I would be glad to  
5     look it, but I don't see it.

6                   I don't see that we have really looked at  
7     the admissions being cancelled by the two remaining  
8     hospitals, and we've been here when services have  
9     had to close, there were hospitals that were having  
10    trouble wondering whether or not they were making  
11    payroll, people were quitting because there was a  
12    rumor they couldn't make payroll and going into  
13    bankruptcy and I guess we just had to throw up our  
14    hands and say, nothing to do about it, there is a  
15    hospital miles down the road, catch a bus and it  
16    will be okay.

17                  And I feel terrible when we do try to make  
18    sure that primary care is available as much as we  
19    can, but that's not to say that it just doesn't look  
20    like there has been a lot of working with the  
21    Applicant around what makes sense for the City of  
22    Trenton, and that's the only thing I am concerned  
23    about.

24                  We have heard it from all of the people  
25    who talked at the public hearing, and I don't think



1       that's been focused on in this analysis.

2       A     I respectfully disagree with you.

3       QUESTIONS BY MS. AINORA:

4           Q     I think what is ironic is, I don't see why  
5       suburban hospitals try to relocate from Trenton to  
6       serve the Trenton area, I am having a little  
7       conflict with that.

8       QUESTIONS BY MS. OLSZEWSKI:

9           Q     Going back to Fuld being required to  
10      remain operational for ten years, do the conditions  
11      preclude at some point for example if there is a  
12      merger of St. Francis and Fuld, does it inhibit  
13      other things happening?

14      A     I don't think it particularly inhibits it. I  
15      think what we are intending is that they made a  
16      commitment in their application, if we say you can  
17      move out here that will change the financial  
18      dynamics of our system and we can support this  
19      hospital and the services that it provides in the  
20      City of Trenton and we want to hold them to that.

21                   We don't want to see one hospital leave  
22      the City and then another hospital and another  
23      hospital. We want to make sure that, on the moving  
24      parts issue again, we are accepting that, where the  
25      moving parts are coming together we believe will

1     enable you to do that and we want to hold you to  
2     that commitment.

3           Q     It seems right now, but in looking at all  
4     of the implications of that, we have never had a  
5     condition like this before so it is difficult for me  
6     not having done it before to really know that I have  
7     considered enough of the other impacts on this.

8     A     I think the Commissioner has broad authority in  
9     terms of health planning and insuring quality and  
10    access.

11                   I think if some time comes years from now  
12    and the dynamics of the system change so  
13    dramatically, of course the Commissioner can look at  
14    it and say, yes, this doesn't make a lot of sense.

15                   But again, the Applicant has made this  
16    commitment, we see Fuld as serving a need of the  
17    City of Trenton, it becomes the regional perinatal  
18    center, therefore that's got to stay in the City of  
19    Trenton.

20                   What we are doing by putting this  
21    condition in is having more enforcement authority to  
22    have Capital Health System continue their  
23    commitment.

24                   Unless there is some really unforeseen  
25    reason that we can't foresee today to change that

1 we expect that commitment to be met.

2 QUESTIONS BY MS. AINORA:

3 Q Perinatal is important to me personally, I  
4 just want to understand condition number 6.

5 Are you saying that you want to sit down  
6 at the table with the Applicant and redesign the  
7 number of intermediate bassinets at the new  
8 location?

9 A Yes.

10 Q My second question goes back to Henry  
11 Austin, they will get a lot of the Emergency Room  
12 visits?

13 A Henry Austin--

14 Q I will ask the Applicant.

15 QUESTIONS BY MS. LEWIS:

16 Q One question about the regional perinatal  
17 center because I do have a lot of concerns about  
18 that.

19 The Applicant, what if they decide to do  
20 something different?

21 A Then the Commissioner has the authority to act,  
22 the Applicant has to accept these conditions,  
23 assuming the Board approves it, and the Commissioner  
24 goes along with the conditions, the conditions will  
25 be part of an approval letter and the Applicant has

1 thirty days to object to it, in which case we can  
2 suspend it until we figure this out.

3 DR.DONLEN: Thank you.

4 Now we will have the public hearing  
5 portion.

6 What I was hoping to do, usually what we  
7 do is if there are people from the Legislature, from  
8 the Council, City Council, if they are on the list  
9 we will hear them first because they tend to have  
10 other things that they need to get back to.

11 I have several on the list, I don't know  
12 where you are or who you are so if you will let me  
13 know, I have Mayor Palmer and I also have I believe  
14 the Mayor of Lawrence Township and the Municipal  
15 Manager of Lawrence.

16 Is there anybody else that I of missed  
17 that falls into that category?

18

19 MAYOR PALMER: I believe that this  
20 proposal is either not ready for a vote or that if  
21 this Board is determined to vote most respectfully  
22 your answer must be no and there are a number of  
23 reasons for that answer.

24 The Capital Health System's application to  
25 move Mercer Hospital from Trenton to Lawrence is

1     being recommended despite much inadequate and  
2     ambiguous information and conflicting statements  
3     between what the hospital submitted and what the  
4     Department subsequently recommended.

5             The State Department of Health and Senior  
6     Services has not independently verified the  
7     credibility of the information on which Capital  
8     Health bases its application to the Department and  
9     its analysis and recommendations failed to provide  
10    an independent review to substantiate the accuracy  
11    of this information.

12            Most critically, the Department does not  
13    require a specific adequate long-term significant  
14    financial commitment, thus providing no assurance  
15    that the primary care and specialty services  
16    promised actually will be made available.

17            Capital Health has not pledged or  
18    demonstrated its financial commitment for the  
19    dollars needed to carry out the continued service  
20    which we believe would require tens of millions of  
21    dollars, nor has the Department required them to  
22    make any financial commitment to prevent adverse  
23    impact.

24            State law requires that this application  
25    cannot have an adverse economic or financial impact

1 on the delivery of health care services in the  
2 region or state-wide, yet there has been no review  
3 by the Department to insure that this is not exactly  
4 what is happening.

5 This application is simply not ready for a  
6 vote, and if you think it is you must vote no.

7 The Department has not required the  
8 establishment of a Community Board to report to the  
9 Department.

10 The Board would help insure that CHS  
11 leaves in place the primary and specialty health  
12 care required and its financial commitment is a  
13 continued requirement for future years.

14 The Department did not inquire and confirm  
15 with Capital Health's own identified potential  
16 collaborators like the City of Trenton and Henry  
17 Austin Health Center that an actual plan was  
18 developed. Such plan would at least maintain  
19 existing levels of primary care including maternal  
20 and child health care provided at the Family Health  
21 Center.

22 Even the Department's own recommendation  
23 of a satellite emergency care unit was not followed  
24 by Capital when they offered to propose only an  
25 emergency care center.

1           It does not adequately address continuing  
2   adult primary and specialty care. The Department  
3   relies heavily on the applicant's statement on the  
4   part of the in-patient admissions at the Mercer  
5   campus as supporting its rationale to close it  
6   without having developed any independent  
7   verification of the reasons for such decline.

8           For example, the Department has not made  
9   any research or even made any inquiries into whether  
10   the applicant's own policies and procedures to  
11   transport or refer prospective in-patients to other  
12   facilities has systematically contributed to the  
13   decline in their census.

14           An assessment of the hospital itself shows  
15   that as much as twenty-five percent of Trenton  
16   residents obtaining in-patient care are being  
17   referred to other hospitals including out-of-state  
18   for services available in Trenton Hospital.

19           The Department should have explored this  
20   issue. Nowhere is there any indication that the  
21   Department considered the needs of the Capital city  
22   in terms of disasters or other major emergencies or  
23   that the Governor's office was consulted for a  
24   state-wide need assessment of urban hospital  
25   services.

1           In sum, Capital has not been obliged to  
2     demonstrate that there will be adequate health care  
3     left in Trenton, how they would pay for it or who  
4     would other oversee it.

5           There has been no independent review, no  
6     financial commitment noassurance that quality health  
7     care and assets would still be available if you  
8     would allow them to remove their facility.

9           With all due respect the Department has  
10    not finished its work. Its recommendationses are  
11    inadequate and incomplete.

12          In light of all the deficiencies of this  
13    application and the subsequent analysis and  
14    recommendation I urge you to conclude that this  
15    application is either not ready for a vote or that  
16    if you are determined to vote I respectfully submit  
17    that your vote on this application must be no.

18          Here is a list of thousands of Petitioners  
19    and others are coming, against this move. You  
20    talked about the obsolete hospital. We will work  
21    with the Governor and Capital Health to build a  
22    state of the art facility .

23          If you want to spend three hundred thirty  
24    million dollars to help Lawrence Township which  
25    doesn't need it you can use that money in the City



1 of Trenton survive great health care. They are doing  
2 it in Camden, they are doing it in Baltimore and all  
3 over. And I too, I support CHS, too, I could  
4 support them if they stayed in the City of Trenton.

5 Thank you.

6 DR. DONLEN: No questions for the Mayor?

7 (No response.)

8 DR. DONLEN: Thank you very much.

9 MR. POWERS: It is always tough to follow  
10 Mayor Palmer but I'll do my best.

11 I am Michael Powers of Lawrence Township.

12 Let me begin by saying Lawrence Township  
13 remains and continues to be opposed to the granting  
14 of the certificate of the application.

15 Simply stated there is no need for a  
16 hospital in Lawrence Township. To address one of  
17 the concerns raised by one of the State Health  
18 Planning Board members, the hospital proposed for  
19 the Princess Road site violates the zoning laws and  
20 the masterplan of Lawrence Township. Development  
21 does not happen by chance in Lawrence Township. The  
22 Planning Board and Lawrence Township Council  
23 together with our professional advisors have  
24 carefully zoned and planned for the future growth of  
25 our community.

1                   Future sites for institutional uses such  
2                   as schools have been identified and zoned in the  
3                   township. We even have a plan to improve Route 1  
4                   with a commercial boulevard. However, at no time  
5                   during all of the years of the Township  
6                   masterplanning process has a hospital been included  
7                   or identified as a desired use in Lawrence Township.  
8                   The reason is that there is no need for a hospital  
9                   given our close proximity to other area hospitals  
10                  for our residents

11                  Let's talk about the actual site. The  
12                  specific site is located within the industrial I-2  
13                  district which does not include hospitals as a  
14                  permitted use.

15                  Six acres of the thirty-two acres site  
16                  includes wetlands which cannot be developed. The  
17                  conceptual presented to the Township by the Capital  
18                  Health System officials contains two six story  
19                  building towers which violates the height  
20                  restrictions in the I-2 zone.

21                  Capital Health System knows there are  
22                  major problems with this site. You may have read in  
23                  the newspapers about their interest in pursuing  
24                  another location in our Township. I realize we are  
25                  just here to discuss the Princess Road location, so

1 I will not get into the whole slew of issues  
2 involved with that other site.

3 My time is limited but I do want to  
4 address our disagreement with the recommendations of  
5 the Staff.

6 The Staff gentleman stated earlier the  
7 suburbs are growing with residential development.  
8 This is a false premise. You may see undeveloped  
9 land in Lawrence Township, twenty-five percent of  
10 our Township is preserved as open space. There is  
11 no developable land. They come to our Planning  
12 Board, there are no major developments.

13 What Lawrence is doing in terms of  
14 preserving open space is no different than any other  
15 suburban community, so the growth that is supposed  
16 to be taking place in this area is simply a false  
17 premise.

18 Finally, I wanted to address our  
19 disagreement with the Staff's recommendation about  
20 assuring access to care to Trenton residents over  
21 the long term.

22 What happens ten years from now when  
23 Capital Health System seeks to close the satellite  
24 emergency department, what happens ten years from  
25 now when Capital Health System utilizes the same

1 argument they are using today that we can't stay in  
2 the City because we can't make money, what happens  
3 ten years from now when they use that same argument?

4 Think about that.

5 If the suburbs are the place to be why did  
6 Montclair Community Hospital close in 1999?

7 And finally, what precedent does that set  
8 for accessibility or availability of health care  
9 services for low-income persons?

10 We urge you to deny this application,  
11 thank you.

12 DR. DONLEN: Any questions?

13 MR. HAVENS: Could you comment as far as  
14 the actual status of ownership of the land and  
15 zoning, of the Planning Board's recommendation,  
16 approval, et cetera.

17 My understanding is that Capital owns --

18 MR. POWERS: Unlike most purchases where  
19 they had a contingency on zoning approval my  
20 understanding is that the land was purchased without  
21 any Zoning Board approval.

22 MR. HAVENS: And the status of the  
23 recommendations of the Town's, what process does the  
24 Planning Board go through.

25 MR. POWERS: Since this violates our

1 zoning law and master plan the master plan would  
2 have to be approved.

3 MR. HAVENS: What is the status of that?

4 MR. POWERS: There is no status. No  
5 application has been filed.

6 The area where they are seeking to build  
7 the hospital it is not a permitted use in the I-2  
8 industrial zone.

9 DR. DONLEN: Any other questions?

10 MR. ARARWCZUN: Richard Ararwczun, Township  
11 Manager for Lawrence Township. I have a brief  
12 submission.

13 I have a quick hand-out if you would like  
14 to follow along.

15 DR. DONLEN: That's all right.

16 MR. ARARWCZUN: I have requested that my  
17 written correspondence be fully entered into the  
18 record.

19 The certificate of need application  
20 submitted by Capital Health System for the  
21 relocation of Mercer Campus to Lawrence Township  
22 fails to meet the need standards established by law  
23 and the New Jersey Administrative Code.

24 I call your attention to Exhibit E, the  
25 Bed Need Analysis.

1           The Bed Need Summary contains discharges  
2     for 2009 at a total of sixteen thousand two hundred  
3     eighty-nine. In the same Exhibit, tabs 28 through  
4     35, projected use rates and market share with the  
5     hospital relocation for 2009 fourteen thousand four  
6     hundred and thirty-nine discharges.

7           Exhibit J, financial projection, page 14,  
8     the chart indicates that in 2009 the replacement  
9     hospital will experience seventeen thousand nine  
10    hundred forty-seven in-patient discharges. The  
11    level is three thousand five hundred eight  
12    discharges over the data in Exhibit E.

13          Simply, CHS has presented two  
14    methodologies of market share and bed needs to  
15    support utilization and hospital size, but three  
16    discharge results exist. The seventeen thousand  
17    nine hundred forty-seven, the sixteen thousand two  
18    hundred eighty-nine, and fourteen thousand four  
19    hundred and thirty-nine.

20          The presentation of information is  
21    analogous with applying for a mortgage with a higher  
22    income and filing your income tax showing lower  
23    income.

24          This difference raises the question, is  
25    the financial projection overly optimistic or are

1 the market share discharge numbers understated and  
2 the impact on the new hospital on the surrounding  
3 hospitals more profound.

4 Next Exhibit C reveals that in 2003  
5 Lawrence residents were only six hundred and  
6 thirty-six or 8.31 percent primary care patients at  
7 Mercer while at the same time the five primary  
8 service area in Trenton zip codes were three  
9 thousand nine hundred forty-seven or 51.55 percent  
10 of PSA patients at Mercer.

11 The Staff recommendation of the Department  
12 of Health and Senior Services is that a relocated  
13 Mercer will be able to provide financial support but  
14 the evidence is to the contrary.

15 CHS has not utilized the profits of the  
16 full campus, twenty-nine million at year end 2004 to  
17 support the operations of the Mercer Campus.

18 The CHS application has not established  
19 any lack of health care in the proposed relocation  
20 area, the health care, what it does really is it  
21 examines the remaining areas to be abandoned and the  
22 relocation will have a profound negative impact on  
23 the existing medical institutions of the region and  
24 Lawrence Township.

25 I respectfully request denial of this

1 application.

2 DR. DONLEN: Any questions?

3 MS. MOUNT: My name is Pam Mount and I am  
4 a former Mayor and current Councilwoman in Lawrence  
5 Township. All of you have read the statistics and  
6 our Town Manager and Mayor have well spoken to the  
7 conflicts that we have with this application.

8 However, I would like to tell you a little  
9 bit about Lawrence Township. This has been  
10 considered by no one it seems.

11 Lawrence Township is what we call where  
12 nature smiles for twenty miles, we are a long thin  
13 town between Trenton on the south which we are happy  
14 to border with, and Princeton on the north.

15 We are a model Smart Growth town. We take  
16 planning and sustainability very seriously.

17 We have thirty thousand residents in our  
18 town. We are built out. There are not going to be  
19 thousands of more people moving into our town. We  
20 have no land for building, as our Mayor said  
21 twenty-five-percent of our land is preserved and  
22 that's what is left.

23 We consciously planned that and our  
24 neighborhoods are strong and inherent, many families  
25 live here for generations, daughters and sons move



1     into the neighborhood around where their parents  
2     live.

3                 We are a stable community. We have  
4     remained viable and vibrant and we are happy to be  
5     the type of community where we celebrate diversity  
6     of our residents, we have inclusive affordable  
7     housing, two hundred units over our third round  
8     quotas, and we have lots of different kinds of  
9     housing and lots of different kinds of usage.

10                We comply with the State rules and  
11    regulations in the sense as to what a community is  
12    all about. Twenty-five years ago we built a HUD  
13    village for low-income families. We have a Project  
14    Freedom. We have other group homes and transitional  
15    facilities.

16                Lawrence has excellent public schools,  
17    private schools, Notre Dame, Rider University,  
18    Lawrenceville Prep School, lots of daycare centers  
19    and an institute for autistic children and an  
20    academy for learning disabled kids, a town you want  
21    to live in.

22                We understand why this hospital wants to  
23    come to Lawrence and we certainly understand why the  
24    doctors and the staff who are all here in great  
25    numbers want to live and work in Lawrence, but that

1 does not prove the need to have a hospital in  
2 Lawrence.

3 We appreciate the fact that you are  
4 conscientiously listening to all this but we want  
5 you to know that we will go to a court, the zoning  
6 and planning is not going to be changed unless  
7 Capital Health goes to the Zoning Board and if that  
8 is challenged it will end up in court.

9 DR. DONLEN: I think that's all of the  
10 elected officials we have or people employed by the  
11 City municipalities who have to perhaps get back to  
12 work.

13 I will take the group as they have been  
14 signed up.

15 The first person I think that is Barbara  
16 Kerschen.

17 MS. KERSCHEN: Good morning , my name is  
18 Barbara Kerschen. Thank you for the opportunity to  
19 speak.

20 Access to quality health care should be  
21 available to everyone. It is my understanding that  
22 Mercer Hospital wants to continue their quality care  
23 by relocating to a new, more modern facility where  
24 they will be able to do just that.

25 The full campus would continue to provide

1 services for all who would need to use it in the  
2 City. The declining population of the City of  
3 Trenton and the large continued growth of the  
4 suburbs have meant fewer patients for Mercer.

5 My family came to Mercer for many years  
6 until we moved to other locations. We received  
7 excellent care from the doctors and staff.

8 Currently, if given a choice, many people,  
9 myself included, would choose a suburban hospital  
10 for its location. How can a hospital with declining  
11 admissions and fewer services attract the number of  
12 quality physicians it needs?

13 How much longer will the old buildings at  
14 Mercer last without major renovations?

15 How many people want to travel into an  
16 unsafe neighborhood in order to get medical care?

17 A new modern hospital in a safe, better  
18 location would better serve a larger number of  
19 people including those who reside in the City.

20 Princeton Hospital is hoping to move to a  
21 larger facility off of Route 1 in Plainsboro.

22 Robert Wood Johnson in Hamilton has  
23 expanded to serve its patients.

24 Why should Mercer sit and wait and lose  
25 all its patients to other hospitals?

1                   This move would mean increased and better  
2   health services for more people which it is meant to  
3   help and improve Mercer's current health situation,  
4   not harm the City or its citizens.

5                   As I see it there are two choices, leave  
6   Mercer as it is and in the not too distant future  
7   lose it and the full campus leaving no care at all  
8   available not to mention the number people who would  
9   lose their jobs, should this be allowed to happen.

10                  Or Mercer will build a new up-to-date  
11   hospital in a suburban location to better serve all  
12   people needing care in the Trenton, Mercer County  
13   and Pennsylvania areas while allowing those to work  
14   there to retain their jobs.

15                  Thank you.

16                  DR. DONLEN: Just one question, Ms.  
17   Kerschen, where are you from?

18                  MS. KERSCHEN: I currently reside in  
19   Somerset, New Jersey.

20                  Sandra Brohart (phonetic)

21                  MS. BROHART: My name is Sandra Brohart.

22                  I am the executive director of the greater  
23   Mercer CMA, (phonetic)

24                  Our organization is dedicated to improving  
25   access and availability in the Mercer County region.

1           We have over twenty years of experience in  
2     providing options for patients who have to travel in  
3     the county by means of other than single occupant  
4     automobile.

5           For the past several months we have been  
6     working with Capital Health to develop a plan for  
7     multi-level access to the proposed facility with  
8     particular emphasis on the need of pregnant  
9     residents. Our working group analyzed the  
10    outpatient travel patterns and modes of arrival,  
11    performing surveys, interviewing staff and patients,  
12    working with NJ Transit to establish bus service to  
13    the proposed site.

14           Interestingly, we are seeing that although  
15    the existing Mercer Hospital is located in close  
16    proximity to two bus routes only a small number of  
17    patients use the bus get to the facility. In  
18    addition, issues such as parking restraints and  
19    safety and security perceptions associated with  
20    walking make the existing site less accessible for  
21    transit and pedestrians.

22           With regard to the proposed new location  
23    at Princess Road New Jersey Transit has informed us  
24    that they are willing to adjust their existing bus  
25    routes to serve the new site. Based on the existing

1     schedule this should be about a ten to fifteen  
2     minute bus ride to the proposed new location.

3             In addition to public transportation we  
4     recommend various techniques to optimize the  
5     utilization of bus service, such as shelters,  
6     vouchers and comprehensive multi-lingual passenger  
7     information.

8             We are also exploring supplemental  
9     hospital provided transportation services such as  
10    travel by van to address the non-emergency  
11    transportation, neonatal and perinatal  
12    transportation needs.

13            It is my professional opinion that these  
14    strategies together with other programs and  
15    employees will insure that regardless of where they  
16    are coming from or how they get there anyone wishing  
17    to access the proposed new site would enjoy safe and  
18    convenient access to the site. Thank you.

19            DR. DONLEN: Donald Malafonte.

20            MR. MALAFRONTTE: I am Donald Malafronte,  
21    President of the Urban Health Institute.

22            This is a not for profit group that has  
23    been providing planning assistance for New Jersey  
24    hospitals for thirty years.

25            We are now and have in the past advised

1 Capital, we have also in the past advised St.  
2 Francis and other hospitals in the area, we have  
3 served Jersey City, Newark, Elizabeth and previously  
4 Camden.

5 I would like to in the few seconds that  
6 you have allowed me to give you several ideas and  
7 concepts that should be given consideration by this  
8 Board.

9 We are dealing with a striking growth in  
10 the area surrounding Trenton. We saw the  
11 projections three hundred fifty thousand person  
12 growth over the next several decades, and for your  
13 information that is of course equal or greater than  
14 the population of Newark and Trenton combined.

15 We talk about how to serve that fast  
16 growing population, that must be a consideration as  
17 you weigh the application before you.

18 I also think it is important to remind the  
19 Board while this is an urban-suburban discussion it  
20 is a little bit like Alice in Wonderland.

21 Capital is already the leading provider of  
22 care in Lawrence. It is very much part of the  
23 primary service area of Capital. This is to us at  
24 least an inter-service area shift, moving six miles.

25 Listening to some of the discussion, there

1 is a suggestion that's like moving to China, this is  
2 a system moving from one portion of its service area  
3 to another portion of the service area but it is the  
4 largest provider of care in Lawrence and will  
5 continue to be so.

6 It is in fact a rational distribution of  
7 care in New Jersey and it is going on all over the  
8 State. Five hospitals have been closed in Essex,  
9 two in Hudson. I think some of those closures  
10 resulted from failure to act in advance. This  
11 application is an attempt to get ahead of the types  
12 of changes so important to our state.

13 I think it is also important in another  
14 sense. There has been a discussion about obtaining  
15 access and that is certainly important and the State  
16 has imposed significant conditions.

17 I think it is also an important issue in  
18 widening choice for our residents.

19 Our organization is devoted to urban care,  
20 Urban Health Institute, we spent thirty years trying  
21 to strengthen urban hospitals and care for the urban  
22 poor.

23 I believe the kind of move we are  
24 discussing here opens choices for urban residents  
25 which were previously only permitted for suburban



1 residents.

2 DR. DONLEN: Thirty seconds.

3 MR. MALAFRONTTE: I suggest to you that you  
4 should consider very carefully the notion of options  
5 for the urban poor.

6 There are many other issues that can be  
7 raised but I ask you to act against second class  
8 medicine. Forcing urban people to remain in their  
9 cities, forcing urban hospitals to remain in their  
10 cities is a denial of options and choices to both  
11 the residents of the cities and the hospitals that  
12 serve them.

13 DR. DONLEN: I have a question for you.

14 You said that Mercer, Capital Health  
15 System, is the largest supplier of health care to  
16 Lawrence.

17 The numbers we have are six hundred  
18 thirty-six admissions, there were twenty-seven  
19 sixty-one admissions in 2003 of Lawrence residents  
20 and six hundred thirty six went to Mercer by their  
21 own choice which is only about twenty-three percent.

22 MR. MALAFRONTTE: The others are divided  
23 among other hospitals. The largest share, market  
24 share, is held by Capital.

25 DR. DONLEN: The other question I have for

1     you is did you in talking to them and giving advice,  
2     I assume you considered a lot of options, did you  
3     look at the option of building one or looking at  
4     combining the Fuld and Mercer campus into one new  
5     campus that would continue to provide access for the  
6     urban residents while still being, having programs,  
7     et cetera, and to attract the suburban clients  
8     including the ones from Pennsylvania?

9                 MR. MALAFRONTTE: That was an early option  
10    but I think there was a denial of the need to have a  
11    hospital in Trenton, remember Capital has two  
12    hospital systems, there are two in Trenton and one  
13    would remain which would clearly service Trenton  
14    while reaching out to where the growth is.

15                DR. DONLEN: One to stay in Trenton, one  
16    hospital combining both hospitals to stay in  
17    Trenton?

18                MR. MALAFRONTTE: I think the more likely  
19    option that was explored was to try to bring St.  
20    Francis and Mercer together.

21                DR. DONLEN: So Mercer would have two  
22    campuses in Trenton?

23                MR. MALAFRONTTE: Yes. Who would manage or  
24    organize it is a different matter.

25                Most of us think that there is a chance

1     that both hospitals, two hospitals, however they are  
2     managed could survive in Trenton although that is  
3     not a sure thing. But I think that notion of  
4     three --

5                 DR. DONLEN: There is no question about  
6     the three and the antiquated building.

7                 I am just asking what other options you  
8     were presented with looking at.

9                 MR. MALAFRONTI: I think it is fair to say  
10    that there was an emphasis on trying to insure the  
11    stability of the Capital system through achieving  
12    some growth in the suburbs.

13                I can, you asked about the impact on the  
14    suburbs which is an appropriate question. But there  
15    is an Alice in Wonderland quality to it.

16                One of the hospitals that will testify in  
17    opposition is in fact preparing to move to Middlesex  
18    County.

19                I think this suggests that perhaps there  
20    is a redistribution of care to try to match where  
21    people are, services should be where people are.

22                (Applause.)

23                DR. DONLEN: I remind you, the applause  
24    cuts into the hour. We will get less people the  
25    more applause.

1 Dr. Jones.

2 DR. JONES: Thank you for allowing me to  
3 speak.

4 I have been in practice in the Hamilton  
5 Trenton area for more than twenty years. I started  
6 at St. Francis Medical Center and moved in 1988 down  
7 to Mercer Medical Center. I have been there since.

8 And I have seen lot of changes at Mercer  
9 in the twenty years since I have been there. I have  
10 also covered when other physicians are gone at the  
11 clinic so I have personally served the underserved  
12 and indigent population at Mercer Hospital.

13 I never, and I worked in New York, at  
14 Downstate, that's where I was trained, and I have  
15 seen a lot of discrepancies in the care.

16 I have never seen discrepancies in care at  
17 Capital Health System at Mercer. The people are  
18 treated wonderfully whether they are indigent or  
19 private payers, but of course the private payers are  
20 the one that are paying the share of the load.

21 My practice is about a mile and-a-half to  
22 Robert Wood Johnson Hospital and I chose to go to  
23 Trenton to deliver health care to my private OB-GYN  
24 patients and the reason I chose to go to Mercer is  
25 because I know it provides better care for my

1 patients.

2           It is a regional perinatal center and no  
3 one cares about the tiny little babies that are  
4 three hundred or four hundred grams until it happens  
5 to them. When you hear the statistic that it is one  
6 in a thousand or one in two thousand, this isn't  
7 going to happen to your baby, when it is your baby  
8 on the line it is one hundred percent your baby  
9 that's on the line, not one percent or ten percent,  
10 it is your child.

11           And you want the best care and you don't  
12 care where you have to go to get the best care, you  
13 want your child to receive the best care and Mercer  
14 can turn on a dime. They have the best doctors,  
15 they have the best anesthesiologists, they have the  
16 best ancillary help.

17           When I need a C-section in the middle of  
18 the night they can move. When it is your baby  
19 that's on the line you want that.

20           I have seen a loss and diminishing of the  
21 quality of services as we lost some nurses because  
22 they don't want to come to work in Downtown Trenton.

23           I believe this move will help everyone, it  
24 will help the underserved and it will help the  
25 private pay patients, and it will definitely help my

1 practice and I have chosen to go there, I want a  
2 regional perinatal center and I hope that you vote  
3 yes.

4 (Applause.)

5 DR. DONLEN: Dr. Rabner?

6 DR. RABNER: Good morning, my name is  
7 Barry Rabner, and I am the president of the  
8 Princeton Health Care System. Capital Health  
9 System's case for a new hospital in Lawrence is like  
10 a defendant who kills his parents and then asks the  
11 Court for mercy because he is an orphan.

12 Similarly, Capital which after depriving  
13 Mercer Hospital necessary investments for the past  
14 decade now tells the people of Trenton the hospital  
15 has to be closed because it is obsolete and lacks  
16 the resources necessary to provide quality health  
17 care.

18 Since acquiring Mercer Capital has two  
19 hundred million dollars in cash reserves and as well  
20 as an operating profit of more than thirty million  
21 dollars this past year alone. It chose not to make  
22 the investments in Mercer necessary to serve the  
23 residents of Trenton.

24 Instead Capital intends to take most of  
25 its money and many of its assets out of the City

1     whose health care delivery system is characterized  
2     by inadequacy, fragmentation and conflict, and move  
3     its resources to a suburban location where there is  
4     no documented or even expressed need for additional  
5     health care services.

6             Capital suggests it will strengthen Fuld  
7     and better serve Trenton by closing Mercer, building  
8     in Lawrence and generating excess revenue to help  
9     address Trenton's health care needs.

10            Most health care advisors recommend that a  
11     hospital should generate minimum operating revenue  
12     of 1.5 percent and suggest a 5.5 percent goal.

13            Capital's new hospital in Lawrence would  
14     have to generate consistently a profit of six  
15     percent or more to be able to transfer money to  
16     Fuld. Forty percent of the hospitals in New Jersey  
17     operate in the red. The average margin in New  
18     Jersey hospitals is one percent. Declined average  
19     operating margins in 2003-2004 among hospitals in  
20     the Northeast was 14.9 percent.

21            Capital's projected operating margin for  
22     2010 is 4.1 percent. Should they change that  
23     revenue goal it would be just adequate for taking  
24     care of the needs of the Lawrenceville Hospital and  
25     generate no excess revenue to address the health

—

1 needs in Trenton.

2           There is good reason to question whether  
3 Capital will actually turn money over voluntarily to  
4 Fuld even if it has surplus funds which would  
5 require an ongoing margin which is at a minimum six  
6 hundred percent greater than the state's average.

7           I don't believe I can find a health system  
8 in which the suburban members regularly transfer  
9 significant portions of their profits to their urban  
10 facilities.

11           The Lawrence Hospitals would wipe out our  
12 hospitals operating margin and create substantial  
13 and crippling operating deficits. Within a few  
14 years this financial blow could have an enormously  
15 adverse impact on those communities we served since  
16 1919. Just in the service area within five miles of  
17 our hospital projects increased market share from  
18 ten percent from zip codes to twenty-six percent in  
19 others. Overall Capital's own projections of its  
20 Lawrenceville Hospital's impact on us will result in  
21 a revenue loss of over six million dollars resulting  
22 in more than a four million dollar deficit.

23           DR. DONLEN: Thank you.

24           Do you have written stuff?

25           DR. RABNER: Yes.



1 DR. DONLEN: That can be part of the  
2 record.

3 Any questions?

4 MR. BADER: Frank Bader.

5 I live in a senior community called  
6 Gatherings at Lawrenceville. The average age is  
7 about seventy. We have people in the eighties and  
8 nineties. It is on Princess Road. If you take it  
9 past the proposed hospital site and go a little  
10 further you will see a protected area, a little  
11 further than that. It is a new community, in fact  
12 they are still building houses there.

13 Most of the people as myself moved there  
14 to go to a quiet peaceful place in our retirement.

15 We find out that if the hospital is built  
16 on the Princess Road site eight thousand two hundred  
17 vehicles per day will be projected as moving through  
18 the area. With Emergency Rooms visits it is another  
19 sixty-five thousand. This isn't why I went there.  
20 Had I known about had possibility I wouldn't have  
21 moved there and that goes for my fellow residents.  
22 I know no one in the Gathering who doesn't oppose  
23 this move, so I urge you not to do that.

24 Beyond that you have seen that our  
25 leaders, the Mayor from Lawrenceville, Mayor Palmer

1 from Trenton, and I know that the people of Trenton  
2 want the hospital and I think they need the  
3 hospital.

4 The people at Lawrenceville do not want  
5 the hospital and do not need the hospital.

6 I was very curious about the certificate  
7 of need, I had no idea what it was. I went to the  
8 first meeting in Trenton and I went to the public  
9 library in Trenton and they had trouble finding it  
10 because they said no one asks for it, and I couldn't  
11 find anything about what the certificate of need  
12 was. It wasn't until yesterday on the State Health  
13 Planning Board web site that I actually found the  
14 certificate of need.

15 A direct quote from that, I thought it was  
16 a medical need to provide medical service, but the  
17 certificate of need, and I quote, "CHS Mercer  
18 relocation is essential for the longer term  
19 financial well-being of CHS."

20 It is all about money.

21 And this is coming from the second most  
22 profitable hospital group in New Jersey, someone  
23 just quoted thirty million dollars last year.

24 DR. DONLEN: Thirty seconds.

25 MR. BADER: So what I would like to say

1     that this should not be considered as a certificate  
2     of need, it has nothing to do with a medical need,  
3     people from Lawrenceville, Trenton or Mercer County,  
4     but it is all about money, so I would like to  
5     suggest that it all it ought to be called a  
6     certificate of greed.

7             Thank you.

8             (Applause.)

9             DR. DONLEN: Christie Stevenson.

10            MS. STEVENSON: Good morning.

11            My name is Christie Stevenson.

12            I am CEO at Robert Wood Johnson at  
13     Hamilton.

14            My comments today will focus on three  
15     topics.

16            First, Governor Corzine's commission to  
17     study the closure of hospitals.

18            Second, the Department of Health's  
19     comments, and finally the harm that this relocation  
20     would cause to my hospital.

21            Governor Corzine is creating a panel to  
22     recommend the closure of struggling hospitals.  
23     Wouldn't it be the best decision today to let that  
24     commission go forward with their work and not do  
25     anything that can be called contrary to its ultimate

1 plan, and second, the Department of Health comments  
2 say there is no need for a hospital in Lawrence.

3 Why move three hundred empty beds from  
4 Trenton to Lawrence when they are not needed and  
5 they are not supported by the people that live  
6 there?

7 No need means no need.

8 Shifting these empty beds means that we  
9 won't have empty beds in Trenton but we will have  
10 empty beds outside of Trenton.

11 Compounding this issue further the  
12 Department justifies Capital's relocation by saying  
13 it will enable them to generate more money than they  
14 have now and it is presumed that they will transfer  
15 that money into the City of Trenton.

16 If that's the case it should be in the  
17 conditions.

18 What concerns my Board the most is the  
19 substantial harm that this relocation will cause us.

20 The county hospital admission projections  
21 submitted by Capital are flawed. The projections  
22 for 2009 are inflated by at least twenty percent.  
23 When you consider that admissions the last  
24 twenty-five years have been roughly stable at  
25 fifty-five thousand a year, the sixty-nine thousand

1 admissions projected by Capital have to be  
2 inaccurate.

3 If the admissions at the county hospitals  
4 remain flat the new hospital can only survive at the  
5 expense of the other hospital that Capital Health  
6 didn't talk about in their application. The fact  
7 that we share seventy-five percent of our physicians  
8 we face the risk of losing patients for the majority  
9 of the six hundred fifty physicians on the medical  
10 staff. Now only would our medical staff but so  
11 would our service area.

12 If Capital is allowed to relocate to the  
13 Princess Road site RWJ Hamilton will have a decline  
14 in revenue of forty million dollars, that's forty  
15 percent of our total revenue.

16 That impact will be even greater if they  
17 move to the much larger RCN property.

18 The Capital CN should not be approved,  
19 there is no established need and there will be  
20 significant negative impact on the existing  
21 providers.

22 Please, reject this application and the  
23 Department's recommendation.

24 (Applause.)

25 DR. SISON: Good morning. Thank you for

1     hearing me for a few minutes this morning. My name  
2     is Dr. Antonio Sison, the Chairman of the Department  
3     of Obstetrics and Gynecology at Robert Wood Johnson  
4     University Hospital at Hamilton.

5                 I am responsible for the safety of fifteen  
6     hundred births a year.

7                 I speak here today as a humble physician  
8     who knows well how to deliver babies.

9                 The City of Trenton needs a regional  
10    perinatal center or level three neonatal intensive  
11    care unit, NICU in the same way as the City of  
12    Newark does and in the same way the city of Camden.  
13    A level three NICU provides emergency care for  
14    premature infants less than eight months of  
15    gestation, premature infants who can weigh as little  
16    as a pound. With a tirade of teenage pregnancies  
17    women with no prenatal care with egregiously high  
18    mortality rates among their premature infants it is  
19    this City of Trenton which needs such specialty, not  
20    the Township of Lawrence. Moving this level 3  
21    facility out of Trenton to Lawrenceville is as  
22    unconscionable, morally offensive and outrightly  
23    wrong as moving the level three NICU from Camden to  
24    the affluent town of Morristown or moving the level  
25    three NICU from Newark to Bergen County.

1                   It will deprive residents of a part of New  
2                   Jersey who need these services the most.

3                   The July 12, 1967, riots in Newark were a  
4                   clear testament of the actions of people who don't  
5                   need the vagaries and luxuries of living but simply  
6                   demand the basic inviolate rights of people, public  
7                   housing, basic public services, access to medical  
8                   care for the sick children and babies. We are still  
9                   addressing the very same issues of abandonment that  
10                  were the seeds of civil and racial unrest in our  
11                  state.

12                  There are many people in Trenton who are  
13                  poor, have no access to medical care and for whom  
14                  five minutes train ride is a frightening and  
15                  disenfranchising endeavor.

16                  There are many women in Trenton who become  
17                  pregnant, receive no prenatal care, go into labor,  
18                  show up at the doorsteps at Capital Health System at  
19                  Mercer and deliver a premature infant.

20                  Where do you expect these women to go?

21                  Who will be there to take care of these  
22                  infants?

23                  If the very government of our people can  
24                  not protect the rights and privileges of the poor,  
25                  the medically underserved and underprivileged, who

1 will?

2           The very fact that Capital Health System  
3 is requesting to be stripped of and released from  
4 this responsibility to the poor is a clear statement  
5 of that institution's lack of dedication to the  
6 community which it has served well for all these  
7 years.

8           Ladies and gentlemen, what I am arguing  
9 here is not about the loss of a hotel, restaurant or  
10 beauty parlor but the loss of services for people  
11 who need it the most.

12           Please, I urge each and everyone of you to  
13 reconsider this request.

14           (Applause.)

15           MS. KOSYLO: Good morning. My name is am  
16 Gail Kosylo, I am the Chief Financial Officer at St.  
17 Francis Medical Center and I am here today to make  
18 two points.

19           St. Francis has been dealing with  
20 residents of Trenton for one hundred and thirty-two  
21 years and we will continue to provide high quality  
22 health care services to our community in the future.

23           As a condition for approval we urge this  
24 Court to require Capital Health System to place  
25 money in trust to provide to help programs and



1 services.

2 My first point is St. Francis has been  
3 serving Trenton City since 1874. We rank in the top  
4 fifth of quality of seventeen state cardiac surgery  
5 programs, we provide many primary and specialty care  
6 plans, patients are seen regardless of their ability  
7 to pay.

8 We see over thirty thousand emergency  
9 patients, six thousand five hundred in-patients and  
10 one hundred thousand outpatients each year. Most of  
11 these people call Trenton home.

12 We reinvest our margins in state of the  
13 art equipment and facilities, over eighteen million  
14 dollars in the past three years.

15 We educate more than thirty physicians and  
16 graduate thirty-six registered nurses each year,  
17 many remain in Trenton and become part of the  
18 community.

19 We recruit new primary physicians and  
20 surgeons each year. We work with community  
21 businesses and schools and provide over one thousand  
22 people with jobs.

23 We are not driven by profit. Any money we  
24 make is put back into people, technology and  
25 facilities to help us provide excellent care. It is

1     difficult for a hospital to sustain ourselves in an  
2     urban center but we are committed to meet the health  
3     care needs of the City of Trenton.

4                 St. Francis is run by Catholic Health  
5     Committee which operates one hundred nineteen  
6     facilities throughout the state. They continue to  
7     see health care needs in Trenton, they will support  
8     our work.

9                 My second point is that if Mercer Hospital  
10    should leave this City we recommend a state planning  
11    board in addition to other proposed conditions  
12    require Capital Health Systems to establish a trust  
13    fund controlled by a foundation which would be used  
14    to fund their health care programs and services to  
15    insure health care access to the underserved.

16                Capital should fund this future  
17    development in the City with subsidy dollars that it  
18    receives from the State to serve the economically  
19    disadvantaged. Capital should not take these  
20    Trenton dollars into Lawrence Township.

21                Capital should live up to its commitment  
22    it made when it was given the privilege of license  
23    to serve this community.

24                St. Francis stands ready to work with the  
25    Mayor and elected officials, doctors, nurses and

1 other health care providers to continue to provide  
2 the excellent health care service people deserve.

3 Thank you.

4 DR. DONLEN: I have a question.

5 How many emergency room visits do you have  
6 a year?

7 MS. KOSYLO: About thirty thousand.

8 DR. DONLEN: Do you know how many  
9 admissions you have from that?

10 MS. KOSYLO: About eighteen percent.

11 DR. DONLEN: Have you looked at the effect  
12 of the Emergency Room not being at the same  
13 location?

14 MS. KOSYLO: We are currently looking at  
15 that and if expansion is necessary we will look to  
16 how to provide that.

17 DR. SMALL: My name is Dan Small, I am a  
18 private practice obstetrician-gynecologist in  
19 Lawrenceville. I also serve as an advisor in an  
20 advisory capacity to the State Board of Medical  
21 Examiners.

22 I have been in private practice in  
23 Lawrenceville for nineteen years. Over those  
24 nineteen years my partners and I have delivered over  
25 ten thousand babies in Trenton, making us the

1 largest provider of obstetric service in the past  
2 two decades in the Township.

3 I am here to support the relocation of  
4 Capital Health System to the Lawrence campus.

5 I have a number of points I would like to  
6 make.

7 It is often not understood that the  
8 present location of Capital Health System undermines  
9 the purpose of the regional perinatal system.

10 The majority of our NICU admissions are  
11 from suburban communities and that doesn't include  
12 the number of patients who would be able to utilize  
13 NICU services but who are reluctant to go to Trenton  
14 do so. A significant number of my patient  
15 population are high risk either because they are  
16 having twins or triplets or because of medical  
17 conditions such as high blood pressure, diabetes or  
18 advanced maternal age.

19 All of these things put these patients at  
20 risk for premature delivery and the need of  
21 perinatal services.

22 At present many women in my area,  
23 Lawrenceville, Hamilton, Pennington, Princeton, et  
24 cetera, are uncomfortable unfortunately going to  
25 Trenton for delivery. Out of this discomfort they

1     leave my practice or they don't come to us in the  
2     first place and they end up delivering in a level  
3     one or level two center which puts the mother and  
4     their babies at higher risk.

5             A recent example, two months ago a former  
6     patient of mine delivered her baby eight weeks early  
7     at Robert Wood Johnson in Hamilton, this is the kind  
8     of mother and newborn that the perinatal system was  
9     designed to help and protect, but it didn't happen  
10    that way.

11            The malpractice situation in New Jersey  
12    and the difficulty in getting patients to go to  
13    Trenton to deliver has led many of my colleagues to  
14    stop obstetrics altogether or to leave the state.

15            This has dramatically reduced the numbers  
16    of deliveries at Capital Health System. The reality  
17    is that the volume will continue to drop.  
18    Obstetrics is a specialty where things go very well  
19    without intervention the majority of time. However,  
20    the ability to function well at the level three  
21    center depends on seeing the rare complications  
22    often enough to know reflexively how to deal with  
23    them. The wonderful experience we had at Capital  
24    Health System at the Mercer campus is the function  
25    of our volume and outcomes will deteriorate if the

—

1 volume continues to drop. It is inevitable.

2 In sum, access to level three services  
3 will increase for high risk patients in the county  
4 if the hospital moves. This is contrary to the  
5 kinds of things discussed today, but that's the  
6 truth.

7 If the hospital doesn't move the Mercer  
8 based obstetrics practice will continue to decline  
9 leading to a shift of deliveries to the level one  
10 and level two centers, if the hospital doesn't move  
11 outcomes will worsen as the volumes decline.

12 If the State of New Jersey wants an  
13 effective regional perinatal center care system it  
14 needs to relocate this hospital.

15 Thank you.

16 (Applause.)

17 MR. TADY: My name is Joe Tady and I am a  
18 former Lawrence Township Councilman.

19 I served on the Council from 1986 to 1990  
20 and I am here to encourage the application and the  
21 relocation of Capital Health System to Lawrence.

22 Now, the Council I served on had to deal  
23 with many major development projects, many of which  
24 were larger and much more impactful than the  
25 relocation of Capital Health System.

1                   To name a few that we had to contend with,  
2     the expansion of Bristol Myers Squibb on Route 6,  
3     the commercial development along Princeton Pike now  
4     known as Princeton Pike Corporate Center, the  
5     planning of Village Park in the northern part of the  
6     Township which had no park at the time.

7                   We had to deal with the Hovnanian housing  
8     development, which had a great impact on Lawrence  
9     from an environmental, traffic and sewer service  
10    standpoint.

11                  The Orchard Village development behind the  
12    Mercer Mall was another one we had to deal with.

13                  There were probably others, but these were  
14    the major ones. I mention them because for every  
15    one of these developments there was a cadre of  
16    citizens who opposed them. Some of the opposition  
17    was legitimate and the public input was considered  
18    when the final resolution was determined.

19                  But in some instances it was really  
20    opposition for the sake of opposition.

21                  Now, to get to these solutions and to have  
22    worked out these problems committees of citizens  
23    worked diligently with the planning board and the  
24    zoning board, the recreation advisory committee and  
25    the council to find a just and workable solution.

1           The point I am trying to make is that  
2   people of good will working together can get a  
3   desired result.

4           Accordingly, I felt that the current  
5   council is premature in the opposition of relocating  
6   Capital Health System to Lawrence. The council did  
7   not have all of the facts because a few vocal  
8   citizens who expressed opposition it felt it had to  
9   go on record opposing the hospital.

10           Most residents never call or write their  
11   Council. They may voice an opinion when they meet  
12   each other in a social setting but that is even  
13   rare.

14           When I was on the council I had to keep  
15   reminding myself I was there to represent people who  
16   never come or never write or call.

17           Their opinions are often hard to determine  
18   but I felt that representing those people was the  
19   primary reason I was elected.

20           I wholeheartedly support the relocation of  
21   Capital Health System to Lawrence and I request that  
22   the Township and the Council of Lawrenceville and  
23   the Mayor let the process go forth. There are  
24   zoning issues, sewer service and traffic issues and  
25   there are appropriate committees, zoning and



1 planning boards that can deal with that, and I will  
2 say I see absolutely no downside to the relocation  
3 of Capital Health system.

4 (Applause.)

5 MR. WALLER: My name is John Waller, I am  
6 a resident of Trenton.

7 The Capital Health System application  
8 focuses exclusively on Trenton's eighty-five  
9 thousand population and ignores the adjoining Ewing,  
10 Hamilton and Lawrence Townships' additional one  
11 hundred sixty thousand population.

12 Trenton doesn't have a wall about it. The  
13 streets run into Trenton as well as out of it.

14 It seems pretty obvious that if Capital  
15 Health System were to invest the same two hundred  
16 ninety million dollars at its present Mercer medical  
17 site they could create a state of the art facility  
18 that would attract patients from all of the  
19 surrounding communities.

20 There would be several advantages to  
21 improve their present location. Their very needy  
22 patient base would continue to be served but with  
23 much improved facilities and medical services.

24 These improvements and added medical  
25 specialties would attract the region's patients that

1     need them. Families would not have to travel out of  
2     town to obtain higher quality medical care.

3                 Everything that can be done in Lawrence  
4     can be done in Trenton, with one big difference,  
5     Trenton needs and wants Mercer Medical, Lawrence  
6     does not.

7                 Investing in a Trenton medical facility  
8     will not only provide improved medical services for  
9     our entire region, it will be an improvement and  
10    investment in the capital city's quality of life.

11                If this investment is going to be made,  
12    let's make it in a community where it will return  
13    the greatest public good. Let's make it in Trenton.

14                (Applause.)

15                DR. DONLEN: Patricia LaPointe.

16                MS. LAPOINTE: I am a resident of  
17    Lawrenceville.

18                You know, I came here mostly wanting to  
19    say we don't want our hospital in the neighborhood,  
20    we can't support the hospital in our neighborhood,  
21    our roads aren't designed for it, nothing is  
22    designed for it, it would be cutting traffic right  
23    through our neighborhood which by the way has two  
24    circles and very narrow roads.

25                And I understand the need for improvement

1 especially for a neonatal center.

2 Like the gentleman before me, what I don't  
3 understand is why that development won't be invested  
4 in the facilities we currently have in Trenton.

5 It really seems to not be an application  
6 of need but more an application of greed. The need  
7 that's been talked about is their need to make  
8 money.

9 I would like to discuss the impacts on  
10 Princeton and Robert Wood Johnson, that should be a  
11 major concern.

12 What about the people they serve? I don't  
13 think you have enough facts and I suggest you deny  
14 the application.

15 Thank you.

16 (Applause.)

17 Dr. SUDHAKER: I am a gynecologist in  
18 private practice in Trenton. I am here in support of  
19 the application, although I was born and raised in  
20 India most of my professional and personal work has  
21 been in and round Trenton.

22 I was one of the members of the first  
23 batch of medical residents at the Mercer Medical  
24 Center and I have been here since 1974. I met my  
25 wife in 1975, we have been married for twenty-six

1     years.

2                 There has been significant change in the  
3     private practice in Trenton compared to when I began  
4     practice here. I am proud to say in all of those  
5     years I have never denied care to any patient  
6     because of their inability to pay, and I think this  
7     is true for all of my colleagues at Capital Health  
8     System in all of the years I have been here.

9                 I want to support the application, number  
10    one, the impact of the declining population in  
11    Trenton and New Jersey population in suburbia has  
12    had on the private practice area in Trenton.

13                We increasingly see patients asking and  
14    really telling us that they would like to have it  
15    outside Trenton. They are moving to suburbia and  
16    and we are dependent on the patients and the primary  
17    care physicians who refer patients to us, so we are  
18    forced to follow the patients. There has not been a  
19    significant increase in primary care improvement in  
20    Trenton at all, and it is becoming increasingly  
21    difficult to recruit primary care physicians to come  
22    to Trenton. Many of my colleagues who have primary  
23    practices in Trenton find it difficult to recruit  
24    qualified physicians because our practices are  
25    primarily in Trenton.

—

1                   So I think this move will help our  
2     physicians to recruit quality physicians to improve  
3     the care, we have never denied access to care, my  
4     colleagues and I have no intent to deny it, we will  
5     continue to provide services at the Fuld campus.

6                   (Luncheon recess.)

7                   (Afternoon session:)

8           Q     We are back in session.

9                   We are going to start with the Applicant,  
10    if you would like to come up to the podium?

11                  You have ten minutes to review your  
12    presentation, if you want take less than that,  
13    that's fine.

14                  DR. SOMERSTEIN: Good afternoon.

15                  I'm Dr. Michael Somerstein, Chairman of  
16    Capital Health System's Board of Directors.

17                  I have been a practicing nephrologist in  
18    Trenton for thirty six years.

19                  During the course of my career I have been  
20    on the staff of all five Mercer County hospitals.  
21    I know first-hand the culture of each of those  
22    hospitals and I know the central role that Capital  
23    Health System has played in the care for  
24    Trentonians. I was raised in Trenton, I live on  
25    Bellevue Avenue just four or five houses down from

1     the hospital and I understand first-hand the  
2     emotional attachment that the community has to the  
3     hospital at that location.

4             Our decision to move the Mercer campus,  
5     one of two we maintain in Trenton, was not an easy  
6     one. However, we know it was necessary if we were  
7     to achieve the financial stability required to  
8     reliably serve all the people with one high standard  
9     of care.

10            The Department in its professional and  
11     independent recommendations agreed. Without the  
12     move we are facing inevitable decay and eventual  
13     ruin.

14            We understand all too well the unhappiness  
15     of some of the people in our community but any  
16     claims that we are abandoning Trenton is  
17     particularly disturbing because the opposite is  
18     true.

19            We are acting to assure that care in and  
20     around Trenton is stable and sound both now and in  
21     the future.

22            I ask you to remember that we are  
23     committed to maintaining a major hospital in the  
24     City as well as the new Mercer just a few miles from  
25     the City line.

1                   We plan to continue to expand our services  
2     in the campuses in the City. In the past year alone  
3     we have invested thirty seven million dollars to  
4     renovate our critical care units, the Emergency  
5     Department and the main lobby at the Fuld campus.

6                   We spent an additional two and-a-half  
7     million dollars to upgrade and expand access to  
8     primary care at the Family Health Center just across  
9     from the Mercer Campus on Bellevue Avenue.

10                  Fuld will continue to serve as a regional  
11     trauma center, critical health services as well as  
12     a regional dialysis center.

13                  As we indicated in our response to the  
14     Department, we will reestablish OB services at  
15     Fuld which will be accessible to all.

16                  I ask you to approve our project and allow  
17     us to extend our historic mission: highest quality  
18     care for all.

19                  Thank you.

20                  I would like to now introduce Dr. Jim  
21     O'Mara.

22                  DR. O'MARA: I am Dr. Jim O'Mara.

23                  I am a Board certified obstetrician and  
24     President of the Medical Staff at Capital Health  
25     System.

1           As a practicing physician I want to  
2   impress upon you the importance of this project and  
3   reassure you that under our proposed plan care for  
4   Trenton residents will not be diminished in any way  
5   especially in obstetrics.

6           As you can see from this exhibit the  
7   obstetric volume has dropped 21 percent since 2001  
8   and by 2009 the volume is projected to be below that  
9   of our urban neighbors, which is critical to the  
10   staff's maintaining the highest level of care.

11          And maintaing the skills for that care  
12   especially in treating infants with low birth weight  
13   or gestational age.

14          I note that in its endorsement the  
15   Department has added a condition that a regional  
16   neonatal center be relocated to the Fuld campus.

17          A centrally located RPC will have a full  
18   complement of support services and an accessible and  
19   well run transportation system will assure that  
20   care will continue at the highest level of  
21   expertise for all women in the region.

22          Please note that the twenty-five hundred  
23   births is regarded as a minimum for maintenance of  
24   skill levels in a regional perinatal center.

25          Around 1970, during those difficult times



1 Mercer continued to deliver maternal care. access  
2 to prenatal care is the most critical element in  
3 the care of pregnant women and their babies.

4 We are committed to assuring access to  
5 care at the Family Health Center on Bellevue Avenue  
6 and we will remain at that location. Access to  
7 maternal medical services will remain at the Family  
8 Health Center.

9 Access to private practice obstetricians  
10 and primary care physicians, the obstetricians of  
11 which Capital Health System now subsidizes in order  
12 that they remain available to all Trentonians, and  
13 most importantly the uninsured and under-insured,  
14 and access to an effective maternal support system  
15 for patients in need of high risk maternal care.

16 We will establish an impatient specialized  
17 unit, this is the same level of care provided at  
18 Hamilton and Princeton and also in other urban areas  
19 with underserved populations such as Atlantic City.

20 For my patients, my friends and indeed my  
21 family, quality care is best assured by a truly  
22 regional plan, by creating true access for all women  
23 in the region in a central location.

24 Thank you.

25 DR.MAGHAZEHE: I am President of Capital

1 Health System which includes our two hospital  
2 campuses in Trenton, Mercer and Fuld.

3 I am here to ask you to approve our plan  
4 to relocate one of those two campuses.

5 We appreciate the Department's  
6 recommendation for approval of our project. I know  
7 it is a difficult proposition.

8 Left me start by saying that I started my  
9 career as an intern twenty-seven years ago and I  
10 have spent every year since then working to provide  
11 the best possible health care to the community we  
12 serve.

13 This endeavor has not always been easy.

14 Let me assure you that our Board of  
15 Directors and medical staff has no intention of  
16 abandoning anyone.

17 We ask for your approval because our plan  
18 in this proposed move that will come before you  
19 shortly makes regional distribution of hospitals  
20 more rational, more efficient and more effective.

21 This is what all the planning is about and  
22 what we hope to accomplish if we truly wish the best  
23 for our area hospitals.

24 I want you to know that we listened very  
25 carefully to the concerns expressed through our

1 various discussions over the past eighteen months  
2 with officials and stakeholders as well as the  
3 public hearing that was held.

4 I would like to tell you our response to  
5 the concerns. As to the loss of the OB service let  
6 me assure you that the residents of the City of  
7 Trenton won't lose their OB service.

8 The Department suggested that the new OB  
9 unit at Fuld include intermediate bassinets. The  
10 low income women's two and-a-half million dollars  
11 Family Health Center will remain in Trenton, our  
12 brand new Family Health Center will remain where it  
13 is.

14 There was also concern as to  
15 transportation. Transportation service will continue  
16 to be a major focus of our efforts. We have been  
17 working with New Jersey Transit and we have received  
18 their verbal agreement to assure that bus routes  
19 are available to the new hospital.

20 Employees will be accommodated by hospital  
21 sponsored shuttle services and transportation is  
22 being provided for patients and their families.

23 I would like to briefly address three  
24 remaining issues. The Department suggests a  
25 condition regarding relocation of the regional

1 perinatal center to the Fuld campus in Trenton.

2 Second, some officials of Lawrence  
3 Township have expressed concerns about the site as  
4 far as local zoning and planning board approval.

5 This is understandable and common in  
6 developments of this sort, whether it is a hospital,  
7 major commercial office building or a mall.

8 As all of you know, local approval  
9 regarding the site where a health facility or  
10 service will be located has never been an easy issue  
11 and should not be.

12 We have had many meetings with Lawrence  
13 Township officials. Nothing formal has been  
14 submitted for review by the Township.

15 The previous Mayor and Town Manager  
16 favored the project under certain conditions which  
17 we are going to meet. This is a local matter to be  
18 debated in the Township and we will work with the  
19 Township toward a successful outcome.

20 That we understand that applications such  
21 as ours often provoke concerns and we will work to  
22 resolve them.

23 We also understand that a few may feel  
24 that a Trenton institution and Trenton people should  
25 stay in Trenton. We know this is not the majority

1 feeling in the town. It is a good place with good  
2 people and we are counting for ultimate support.

3 I want to correct a misrepresentation, I  
4 find it sad that some of our opponents have tried to  
5 mislead people by saying we are taking charity care  
6 service out of the City to build a suburban  
7 hospital.

8 The charity care service will remain, we  
9 will be providing charity service to Trenton. We  
10 are proud to be the largest provider of charity care  
11 service in the area.

12 We are also bearing the greatest burden  
13 for the unfunded portion of the real cost of that  
14 care.

15 Let me assure you that Capital Health  
16 Service will be able to remain the greatest provider  
17 of charity care and safety-net services for decades  
18 to come.

19 I would like to sum up by saying that I  
20 have devoted my entire professional life to hospital  
21 care in Trenton.

22 As Governor Corzine said, we must choose  
23 what is difficult and right rather than choosing  
24 what is easy and wrong.

25 We appreciate the Department's

1 recommendation and approval. We know it is  
2 difficult and we are prepared to accept all  
3 conditions as stated and we hope that today you  
4 will moderate just one of them, the RPC designation.

5 We are asking for your endorsement of this  
6 critically important project.

7 Thank you.

8 DR.DONLEN: Let me ask that while we are  
9 having a discussion with the Applicant that there be  
10 no applause because it is hard for the Board  
11 members, you may have a reaction as to something you  
12 may like, keep it to yourself.

13 We are going to try to interact between  
14 the Board and the Applicant.

15 If you want to say something relative to  
16 it you can if you want us to recognize you after we  
17 are done and we will reconsider that, but don't  
18 stand up and shout that it is not true.

19 So those are the ground rules.

20 I am going to ask the Board for one favor.  
21 If you feel that you want to follow-up on a question  
22 someone else has asked write it up and follow up on  
23 it. I will go through everybody and then I will go  
24 back for follow-ups as well.

25 Does anyone want to start the questions?

1                   MR. HAVENS: You commented that you were  
2 willing to accept all the conditions except for the  
3 RPC designation?

4                   DR. MAGHAZEHE: We ask that you reconsider  
5 that.

6                   MR. HAVENS: Do you have a problem  
7 relocating, developing the RPC at Fuld in Trenton?

8                   DR. MAGHAZEHE: There are good reasons, we  
9 have no problem to be in Trenton but there are  
10 critical issues that affect patient care and the  
11 volume is critical in maintaining high quality  
12 care, and I think Dr. O'Mara pointed that out.

13                   I am just relying on the clinical people  
14 to advise us there, they have some practical  
15 experience.

16                   MR. HAVENS: There are any number of  
17 hospitals in the state that are in urban areas that  
18 still have RPCs.

19                   A     We had a large volume, we lost about eleven  
20 hundred in the last several years and I believe the  
21 reason for it is the location of the suburban  
22 hospitals that caused us to lose them.

23                   I can give you an example. One of our  
24 largest practices moved completely about a year ago  
25 or so, he moved completely to Princeton Hospital.

1           The reason he moved is that he stopped  
2   doing OB for malpractice reasons. His partners, many  
3   of them female, decided that they were not going to  
4   take a chance, that's what he told us.

5           I met with them several times, and  
6   unfortunately we cannot convince them to change back  
7   to Trenton. As a result we lost about five hundred  
8   patients, five hundred deliveries; that's just one  
9   example.

10          The rest of our doctors basically gave us  
11   a deadline when they would stop doing OB and we  
12   actually had to pretty much guarantee their income  
13   and take that responsibility to keep them in  
14   Trenton.

15          Jan or Dennis, anybody here, do you guys  
16   want to add anything to what I said?

17          MR.DOOLEY: Our Staff is populated  
18   primarily with solo practitioners, and given the  
19   malpractice crisis that is faced by all  
20   obstetricians and gynecologists throughout the  
21   state, they were coming into Mr. Mangus' office and  
22   basically saying, "We can no longer stay in our  
23   practice on the OB side."

24          We made a decision at that point in time,  
25   interestingly these were doctors who were primarily



1     located either in Trenton or in Ewing Township, we  
2     made a decision to preserve access to the private  
3     practice of OBs in addition to a half dozen  
4     physicians and four mid-wives that we employ  
5     full-time that we needed to hire these doctors or  
6     else we would have a real crisis.

7                 So we adopted a program of insuring them  
8     ourselves through a malpractice program, we hired  
9     them so that allowed them to keep their practice in  
10    the area.

11                MS. OLSZEWSKI: There were a number of  
12    people who voiced their concern about primary care  
13    physicians, that it was becoming hard to have  
14    physicians to actually take care of people in  
15    Trenton itself, and it is not at all clear to me  
16    that moving to a suburb would make those physicians  
17    available to people in Trenton.

18                Can you talk to me about that?

19    ANSWERS BY DR. MAGHAZEHE

20    (Unless Otherwise Noted):

21    A     Yes.

22                In 2001 Capital Health System spent seven  
23    million dollars on supporting our staff and  
24    maintaining them in Trenton.

25                In 2005 that number exceeded twenty

1 million dollars. What we are saying is any  
2 physician, primary care or specialist, hospital  
3 based doctors, radiologists, anesthesiologists, you  
4 know, making a commitment to be in this location.

5 So we have already shown year after year  
6 that we are doing our jobs, we are doing our  
7 mission, we are actually helping the doctors and  
8 subsidizing them.

9 Most doctors get paid to provide any type  
10 of service; it is increasingly becoming more and  
11 more difficult to do that since our volume and  
12 revenues have declined.

13 The Mayor of Trenton has put together a  
14 task force, and that task force is working very hard  
15 to put together a health care plan for the City of  
16 Trenton.

17 In my judgment the purpose of that plan is  
18 to make sure that the people of Trenton have access  
19 to primary care and to specialists.

20 Capital Health System alone has made a  
21 commitment publicly to support that without knowing  
22 what the outcome is.

23 We are already part of this public process  
24 and I believe in addition to anything else that we  
25 do with our plan I believe we will create--we will

1 improve what was in Trenton as to access to primary  
2 care and specialists.

3 Keep in mind that if we don't get a  
4 certificate none of this plan can possibly happen.  
5 So we are hoping to continue to move forward and  
6 continue to support Trenton.

7 MS. OLSZEWSKI: Are you saying you won't  
8 participate as in the past?

9 A No, no, we will not be able to.

10 Let me just point out, Capital Health  
11 System has more charity care than all of the other  
12 hospitals combined in Mercer County, so we are not  
13 running away from this problem; this is what we do  
14 and we do it proudly.

15 We are the ones that provide for  
16 pediatric emergencies, we are paying attention to  
17 Trenton, we aren't abandoning Trenton.

18 Than we have created a Pediatric ER,  
19 everybody knows that's why St. Francis shut down,  
20 did anybody say anything? No.

21 We took it and we took it gladly. Not  
22 only did we take it, we expanded the program to make  
23 it better for the people.

24 The Pediatric ER is different from the  
25 Emergency Room and we see about fifteen hundred kids

1 a month, twenty-four/seven, staffed by Board  
2 certified pediatricians.

3 No one is running away from this. All we  
4 want to do is make sure that we have the ability to  
5 continue financially.

6 Every penny that we have made we have put  
7 back into the system, either the four million dollar  
8 investment for the brand-new Emergency Room at  
9 Mercer, by establishing the Pediatric ER and on and  
10 on. We are not running away from charity.

11 MS. OLSZEWSKI: I am still unclear.

12 Let me just ask the question: how would  
13 moving Mercer to the suburbs increase the  
14 availability of specialists for medical care in  
15 Trenton?

16 A Let me go back to this and tell you, Robert  
17 Wood Johnson--

18 DR. DONLEN: I am going to ask you to try  
19 to get to the answer of that question. We have like  
20 two hours that I am trying to get all the questions  
21 in and then we will have a discussion.

22 A I am telling you the history so I can make the  
23 point.

24 Capital Health System, St. Francis have  
25 lost fifty percent of our medical staff and patients

1 to Hamilton hospital, Princeton Hospital, so all we  
2 are trying to do is regain half of what we lost.

3 This is not about market share or money,  
4 it is about surviving.

5 The only way I can tell you that we will  
6 be in a position financially speaking to guarantee  
7 what you are saying is to have access with better  
8 pay arrangements; we cannot continue subsidies  
9 forever.

10 And the only solution I have is to  
11 position Capital Health System to have access to  
12 better paying patients so perhaps we can do better.  
13 Otherwise I just don't know.

14 MS. OLSZEWSKI: Access to better paying  
15 patients in the suburbs?

16 A Yes.

17 MS. OLSZEWSKI: How does that help the  
18 people in the City of Trenton?

19 A Capital Health is one system, I know what you  
20 are saying, if you apply for a position to be on the  
21 staff of Capital Health System you must cover all  
22 Capital Health System campuses.

23 What I am hoping to accomplish, doctors  
24 may not not like this, once you get on the staff of  
25 Capital Health System because you want to be in the

1 new hospital you will be required to go to Trenton,  
2 it will be what you have to do to stay on the staff.

3 MS. OLSZEWSKI: Thank you.

4 MS. LEWIS: I have one question which  
5 probably has two parts to it because it appears we  
6 have conflicting statements.

7 One that says that after looking at the  
8 statistics it was the residents, the women in  
9 Trenton who had the highest risk pregnancies and the  
10 more complicated deliveries, and therefore, the need  
11 to have the perinatal center center remain in  
12 Trenton is very important.

13 But then I am hearing what Capital is  
14 saying, someone from Capital said this, that the  
15 highest risk patients are really in Mercer, outside  
16 of Trenton, and it made sense to locate the facility  
17 outside of Trenton.

18 I just need clarification of that  
19 statement.

20 And also if you don't agree that a  
21 regional perinatal center should remain in Trenton  
22 so then what are you saying, that it should go to  
23 Mercer?

24 And then how do the patients of Trenton,  
25 how do they actually access the other facility,

1     because if you have a significant number of women  
2     who have high risk deliveries, when the mothers go  
3     home the babies remain in the hospital and you need  
4     to have that bonding back and forth; is that an  
5     access issue?

6             MS. WALSH: My name is Eileen Walsh. I am  
7     one of the    Divisional Directors for Patient  
8     Services at Capital Health System.

9             I would like to address the first part of  
10    your question concerning the delivery volumes.

11            The delivery   volumes change and and  
12    reflective of that is the percentage of admissions  
13    of Trenton residents.   That is going up surely  
14    because the total volume is going down, and the  
15    volume that we are losing are the patients from the  
16    suburban areas that are choosing to go to other  
17    hospitals.

18            While in 1998 approximately 33 percent of  
19    the volume in our neonatal service represented  
20    Trenton residents, today in fact it is 46 percent.  
21    But that is not necessarily reflective of the fact  
22    that we are seeing more Trenton patients, it is just  
23    that the overwhelming percentage is more and more  
24    higher Trenton focused because we are losing all of  
25    our other patients.

—

1                   And I think you had another question  
2   regarding the location?

3                   MS. LEWIS: An alternate option.

4                   MS. WALSH: An alternate option would be  
5   what we included in our original certificate of need  
6   application, which would be to provide the Fuld  
7   campus with four intermediate bassinets--

8                   MS. LEWIS: Has there been a cost analysis,  
9   is that a reasonable option? Have you mentioned that  
10   in your certificate of need?

11                  MS. WALSH: Not in our original certificate  
12   of need.

13                  We were requested to add intermediate  
14   bassinets, the petition had been submitted, so  
15   therefore we went back, and we would be willing to  
16   put in intermediate bassinets at the Fuld campus.

17                  This has a very special place in my heart  
18   because I have worked there as a staff nurse, I have  
19   worked at Mercer since 1991, and because of that I  
20   have spent a lot of time talking with them about  
21   what our proposal really means to the patients and  
22   whether or not it is going to present difficulties  
23   for them despite what the political representatives  
24   of these patients are saying.

25                  The patients themselves are reporting to



1 me that they will go to the new hospital because  
2 they feel entitled to a brand-new state-of-the-art  
3 facility, it is proposed to be a beautiful facility  
4 and they will go there, they want to go there, they  
5 want to be where everyone else wants to be.

6 And interestingly enough if you look at  
7 the number of Trenton residents that need to deliver  
8 at Capital Health annually actually they are  
9 delivering at Hamilton; those are not necessarily  
10 patients that want to stay within the City  
11 hospitals.

12 They also want the same amenities that  
13 everyone else does.

14 MS. LEWIS: But in the end there still will  
15 be a separation of the moms and the babies in the  
16 high risk cases if the facility remains in Trenton?

17 MS. WALSH: Actually there will be  
18 separation of the mom and baby in both places.  
19 However, as to the recommendation, if you would have  
20 it at the Fuld campus we will have sixty percent of  
21 our moms and babies separated because there will be  
22 intermediate bassinets in Lawrenceville and patients  
23 requiring intensive care will be sent to Trenton.

24 So in either scenario there is going to be  
25 that separation, but right now the five hundred

1 Trenton residents delivering at Robert Wood Johnson,  
2 they are being transferred to New Brunswick, and  
3 this is only six miles.

4 I don't mean to make light of the fact  
5 that transportation is an issue, I truly don't. In  
6 fact I am the person who started the survey on  
7 transportation issues at the hospital to get an  
8 understanding of how our patients are getting here.

9 Again, 95 percent of them, they are  
10 driving themselves or being driven by someone else  
11 and do not reflect a transportation issue as a lot  
12 of people originally thought.

13 The remaining 5 percent come in by  
14 ambulance.

15 MS. AINORA: My question is, did you  
16 consider combining both institutions and locating  
17 them on the border of both Trenton and  
18 Lawrenceville?

19 A We are on the border, this hospital will be  
20 very close to Trenton.

21 I guess what you are saying is should we  
22 close down both and combine--

23 MS. AINORA: Did you consider closing both?

24 A We didn't consider that because this hospital  
25 takes care of the people that need help the most and

1 we tried to do everything possible to meet that  
2 need.

3 MR. KANE: We still have concerns, there  
4 were two Mayors, Mayor Palmer's eloquent statement  
5 that he did not want you to leave, and the Mayor of  
6 Lawrence said they don't want you to go there.

7 I think you have a tough road ahead as far  
8 as getting all of the moving parts, this is much  
9 more than just a few moving parts, this has turned  
10 out to be a nightmare, you have got approvals, you  
11 have got a lot of public relations and the fact that  
12 you are on the Task Force of Trenton, but what kind  
13 of groundwork have you done to get all of the people  
14 behind you on this very complex set of steps?

15 A Thank you for that question, I appreciate it.  
16 We are used to that, I know exactly where you are  
17 coming from.

18 It is not easy to try to relocate  
19 especially when you are depended upon by an  
20 inner-city population to take of all of the people  
21 and, you know, the employees, the doctors.

22 We will have been successful because of  
23 good management, a good working medical staff, good  
24 relationships.

25 We don't disagree with Mayor Palmer, I do

1 not disagree with Mayor Palmer. I was here for many  
2 years before Mayor Palmer became Mayor. I know  
3 Trenton as much as anybody else does.

4 The at the end of the day it is our  
5 objective that Trenton continue to receive the best  
6 possible health care. We want that, we have done it  
7 for twenty years. I don't need to make a commitment  
8 for ten years, Fuld will be there for another  
9 hundred years, put that as a condition.

10 The bottom line is, I can understand where  
11 he is coming from, he wants the best health care for  
12 Trenton, we want the best health care for Trenton.

13 The question is how do we get there?  
14 Trenton right now has the best health care. How do  
15 you guarantee that that will be there in the  
16 long-run, ten or fifteen years from now?

17 We have this track record of providing  
18 this over the years, Capital Health has provided  
19 more charity care than all of the other Mercer  
20 County hospitals combined.

21 We believe we have been the second best  
22 performer in the State, we have that track record  
23 and I guess we know how to manage.

24 From our point of view professionally  
25 speaking, the way to guarantee that is by allowing

1       us to compete fairly so that we are not held back  
2       because of our location.

3               Our competition is worrying about us  
4       taking away from them. You know what: that's why  
5       competition is there. All we want is to let us go  
6       where they are and let's compete and whoever does a  
7       better job wins.

8               The reason they have gotten ahead of us,  
9       the reason you see that kind of growth at Hamilton  
10      and that kind of growth at Princeton is because we  
11      are at a disadvantage, we cannot compete with them  
12      from here, we have to spend a lot more money to  
13      provide the same level of care that they are  
14      providing.

15              MR. DOOLEY: Addressing the issue of  
16      Lawrence Township, we heard the Mayor, the Town  
17      Administrator and then you heard the former  
18      Councilman.

19              One person who couldn't be here today and  
20      with your permission I would like to be able to read  
21      the remarks of a current Councilman in Lawrence  
22      Township, Mark Holmes (phonetic) who had drafted a  
23      letter and asked that we present it here today.

24              "Dear Mr. (inaudible):

25              "I met with you in December 2004 to

1 discuss the possible relocation of Capital Health  
2 System from the Mercer campus to Lawrence Township.  
3 At that time I was serving in the capacity as Mayor  
4 of Lawrence Township.

5 "As previously discussed, I was open to  
6 the idea of Lawrence Township having its own  
7 hospital, that there would be either a Planning  
8 Board or Zoning Board process to determine the  
9 relocation of that hospital. In addition, I also  
10 indicated it would be more appropriate to discuss  
11 the matter with the incoming Mayor in 2005.

12 "In Lawrence Township's form of government  
13 the Counsel selects a Mayor each year from among its  
14 members. I continue to serve on the Township Council  
15 and want to make clear my continued support for a  
16 process to determine the viability of a hospital in  
17 Lawrence Township.

18 "The majority of my Council colleagues  
19 have expressed their opposition to the hospital  
20 either through comments in the media directly or in  
21 representations made by the Township Administration.

22 "Please note that the sentiment is not  
23 unanimous. Mind you that we should not prejudge the  
24 merits.

25 " The Township would be better served by

1     conducting a public meeting to determine the  
2     sentiments of the entire community before drawing  
3     any conclusion and proceed to the process required  
4     by Township Ordinances should you be successful in  
5     achieving a certificate of need.

6             "It is my opinion that we should never  
7     circumvent the existing process for development  
8     applications when we feel uncomfortable about a  
9     certain proposal. We must continue to adhere to the  
10    guidelines set forth in the Township Land Use  
11    Ordinance to protect the integrity of the process.

12            "Sincerely yours, Mark W. Holmes,  
13    Councilman."

14            With your indulgence I have yet another  
15    letter.

16            DR.DONLEN: How many indulgences?

17            MR. DOOLEY: This is the last one, and  
18    again, this is addressed to Mr. (inadible)

19            "As a former Councilman of Lawrence  
20    Township I am writing in support of your efforts to  
21    bring a hospital to this community.

22            "The Township government has gone on  
23    record in opposition to the hospital moving to any  
24    location in town although there has not been any  
25    public forum held on the issue.

1               "Several reasons have been stated as a  
2   basis for opposing the hospital including support  
3   for the City of Trenton, a belief that Lawrence  
4   residents are adequately served by area hospitals,  
5   and finally, some negative reaction from the public.

6               "In my experience as an elected official  
7   where land use is concerned I always heard from  
8   members of the public who were against the proposal,  
9   those who live closest to the proposed development  
10   and who are the most worried about possible  
11   negative consequences make their objections known.

12              " Citizens who are in favor of the  
13   development idea rarely express their feelings prior  
14   to the public meeting held to consider the issue.

15              " The general location of the major  
16   medical facilities throughout the state should not  
17   be left to local governments to decide. That  
18   decision appropriately rests with the State  
19   government which can look at a region without having  
20   to focus on the municipal borders.

21              "The role of the Township should be to  
22   review the proposal within the context of the  
23   specific site as provided in the land use laws. It  
24   should not prejudge the matter outside of this  
25   process.

—



1                   "I believe that having a hospital in our  
2 community would be a positive addition. Whether the  
3 Princess Road location is appropriate or perhaps  
4 some other location in the town would be better  
5 suited should be left to the land development  
6 process.

7                   " Respectfully, Harold Bergen"  
8 (phonetic).

9                   MR. KANE: Help me understand how you can  
10 be so successful, what is the process and what do  
11 you attribute it to?

12 A Well, a lot of this is good management. I put  
13 together a management team. I believe that good  
14 management with the support from the Board and in  
15 addition the medical staff is the reason. Otherwise  
16 other hospitals could be in the same exact situation  
17 we are in.

18                   If you are asking me, well, if you are so  
19 profitable why are you doing this?

20                   MR. KANE: That was going to be my next  
21 question.

22 A When I became CEO at Capital Health System it  
23 was pretty much bankrupt; that's public information.

24                   We had people, consultants, financial  
25 people coming from New York staying at the hospital,

1     overseeing what we were doing, and we have been  
2     through a lot of pain, a lot of pain. This wasn't  
3     easy, I literally lived there for a long period of  
4     time to turn this thing around, this was a very  
5     difficult question.

6             I can assure you that if it had not been  
7     for the merger we would be long gone by now.

8             We have set up a system from a financial  
9     point of view and I will let our Chief Financial  
10    Officer explain that.

11            MR. GUY: My name is Ronald Guy, I am the  
12    Chief Financial Officer of CHS.

13            There is no simple answer to that.

14            MR. KANE: I want to know where is the  
15    profit coming from, one of the institutions as  
16    opposed to the other in terms of turning a profit?

17            MR. GUY: Actually we have had difficulty  
18    with the Mercer campus, since the merger it has been  
19    problematic to make a profit.

20            It is very complicated. Although we  
21    have been successful I can say that success is not  
22    guaranteed, in fact the future presents great  
23    difficulty if we don't act now.

24    A     This year's performance.

25            MR. GUY: Yes, we started to see

1 deterioration.

2                   We have a contract pushed back and we  
3 see the decline in the volume. The health care  
4 delivery system in Trenton will suffer drastically  
5 we would go from eight million dollars some years  
6 ago to twenty some odd million dollars this year. It  
7 just can't sustain it.

8                   MR. KANE: It just seems that you were  
9 doing so well there to put the system together, so  
10 what we have to remember is actually contrary to  
11 what was said a few moments ago, this Board's  
12 responsibility is to make sure the hospitals don't  
13 counteract each other.

14                   I personally have very serious concerns,  
15 you are saying basically we want to go out into the  
16 suburbs because they're taking from us and we want  
17 to take back from them.

18                   My concern is you are more profitable than  
19 some of the others, if you take away from them, if  
20 you take away their profitability what is going to  
21 happen to them?

22                   My main concern is the population of  
23 Trenton but I am also concerned as to the other  
24 institutions; if you take away too much of their  
25 business you are going to put them in a financially

1 unprofitable situation, and that's not a good  
2 solution.

3 A What I was trying to say was that if we move to  
4 Lawrenceville we may have dramatic impact on  
5 Hamilton and Princeton.

6 And as the Department of Health pointed  
7 out, the staff of professionals who did their  
8 review, we don't think we are going to hurt the  
9 other two hospitals, we think we are going to slow  
10 their growth.

11 This way you are going to guarantee one  
12 thing, you will guarantee that Trenton -- my concern  
13 is Robert Wood Johnson Hamilton is adding on beds  
14 and they don't have to come here to testify before  
15 you. Do you think the population growth in Hamilton  
16 justifies adding a hundred beds?

17 The City hospitals which have the same  
18 kind of occupancy are now operating below fifty  
19 percent, and it is the physicians of Capital Health  
20 System that moved to Hamilton for the most part.

21 I lost my entire Radiology Department,  
22 twelve of them at one time, they gave me six days  
23 notice. I lost my Anesthesia Department.

24 All I am trying to say is we want a piece  
25 of the growth that is taking place outside of

1 Trenton. We don't think growth will harm them, with  
2 the number of plans of occupancy and with the number  
3 of admissions that these institutions have, if they  
4 are not making money that's not an issue we can  
5 discuss here.

6 I don't think we should be criticized  
7 because we have made money and they may not be.

8 MR. KANE: I hear what you are saying.

9 At this point in the game I am not  
10 comfortable with the data we have, I'm not  
11 comfortable, although I appreciate Staff's work, but  
12 I'm not comfortable with the work Staff did when it  
13 gets down to whether it's going to help me decide or  
14 not, I don't know.

15 A One more thing, this is very important, we have  
16 lost a significant number of our physicians to  
17 suburban hospitals.

18 the remaining doctors are sitting on a  
19 fence, those that are not being subsidized by  
20 Capital Health System.

21 I can assure you that if this CN is not  
22 approved it is not going to take them too long to  
23 join the rest of the group who have already left  
24 Trenton so we will be left with the people that we  
25 are subsidizing.

1                   And I can assure you that we will go back  
2                   to where we started, I am ashamed to tell you, but  
3                   this is what is going to happen.

4                   MR. BREYER: I am the planning consultant.  
5                   I just want to talk a little about the planning. I  
6                   have heard a lot here today that there is no need.

7                   The data that was presented, all the data  
8                   is not something we made up, it is all verifiable,  
9                   we had an independent examination, we are working  
10                  with stats from the State's data base.

11                  The population data is from the Department  
12                  of Labor. When you look at the area what you have to  
13                  remember is that the proposal's projection for the  
14                  hospital is that it will open in 2009, 20010.

15                  We have already lost a year, so it is  
16                  2010, 2011 and possibly 2012.

17                  If you look at it in terms of projections,  
18                  Mercer County will add eighty thousand people in the  
19                  next two decades. Middlesex County, which hasn't  
20                  been discussed at all today, is going to add two  
21                  hundred sixty thousand people.

22                  You say why is Middlesex important?  
23                  Because a lot of growth of Middlesex, Jamesburg, Old  
24                  Bridge, Windsor, two hundred sixty eight thousand  
25                  people plus eighty thousand is three hundred fifty

1     thousand people.

2                 There is a radical shift occurring in New  
3     Jersey: the population is shifting. The North used  
4     to be the focal point of the population; very soon  
5     Middlesex will be the most populous county in New  
6     Jersey.

7                 Mercer will not be the most populous, but  
8     many institutions serve pieces of southern  
9     Middlesex County.

10                Three hundred fifty thousand people;  
11     that's Newark and Trenton put together.

12                There is no question but that hundreds of  
13     beds will have to be added in the area. The  
14     question is who is going to provide them; should  
15     Hamilton add another hundred beds?

16                The proposal here today is to allow all of  
17     us to participate in that growth, not to put anyone  
18     out of business, not to threaten them, but to have  
19     some of that growth so we can continue to do what we  
20     are doing in Trenton.

21                That certainly seems the kind of thing  
22     that the State would want to promote and that's what  
23     a Board like to promote.

24                The deliveries now are still going out of  
25     the County and we haven't talked at all about

1     Pennsylvania. Mercer has always had twelve, ten  
2     percent or so of its admissions from Pennsylvania.  
3     That's been declining.

4             The new location is fifteen minutes from  
5     the State line.

6             You say, why should we be concerned  
7     about Pennsylvania? It is not about being concerned  
8     about them; we are just trying to show where all  
9     these admissions are coming from.

10            The question has been, where are you going  
11     to get five thousand new patients? It has to be  
12     from somewhere else.

13            Hamilton alone has added fifty six hundred  
14     new patients in the last five years. The area isn't  
15     growing but a transformation is occurring in  
16     population and hundreds of beds will have to be  
17     added, and we are hoping to be able to absorb some  
18     of that growth.

19            MS. BENTLEY-MCGEE: Thank you for your  
20     presentation and what you have said.

21            I just think about the comment you made  
22     about what is difficult and right as opposed to what  
23     is easiest for us.

24            The question I am asking you is I am  
25     wondering if this management feels that it has been



1     able to really develop? You went from bankruptcy to  
2     bank-roll, in a sense, and now you are moving out of  
3     Trenton.

4                     DR. MAGHAZEHE: Not moving out of Trenton.

5                     MS. BENTLEY-MCGEE: Well, Mercer is  
6     relocating.

7                     But what I'm saying is, that skill, you  
8     have the management skill that you used to build up  
9     this bankrupt institution, how come it can't be used  
10    now to continue to build up the institution?

11                    It doesn't sound like you are in as bad a  
12    position as you were when you first came to the  
13    hospital, it sounds like you are better, I mean you  
14    have survived your Radiology Department going off.

15                    It sounds as though right now you want to  
16    attract, I guess, better paying patients.

17                    I am having some difficulty, unhealthy  
18    financial pictures always seem to diminish helping  
19    people.

20                    DR. MAGHAZEHE: I am not trying to tell you  
21    what to do, but if I were you I would look at this  
22    situation: we have two choices here today, either we  
23    are going to say Capital Health System that provides  
24    the charity for the people that don't have the  
25    ability to pay in Trenton just about exclusively

1     and provides more charity than any other hospital  
2     in the County, are you going to give us a chance to  
3     do that, or are going to keep us limited in terms of  
4     what we can do and not let us do what we have the  
5     potential to do, and help the suburban hospitals,  
6     Hamilton and Princeton, to continue to grow? That's  
7     the decision you have to make.

8                 My management skill is limited, I am not a  
9     magician.

10                We did our best, countless hours, we did  
11     our best to position Capital Health to do what I am  
12     doing right now. It took us several years to be  
13     able to have enough people even to start thinking  
14     about how we can grow the system.

15                I am the same person who created this  
16     opportunity for Capital Health System, and  
17     unfortunately I am the same person telling you that  
18     this is now going to start to go the other way.

19                I cannot control my volume or what is  
20     happening in the City of Trenton, I cannot control  
21     issues that are beyond my control.

22                Our problem is that it is becoming just  
23     about impossible to recruit physicians to want to  
24     work in Trenton. Those who are in Trenton, they  
25     want to get paid for every hour they put in, they

1     want to get paid to go to emergencies; that's how we  
2     went from seven million to twenty one dollars.

3             They are not expending twenty one million  
4     dollars, my competition, to make sure that doctors  
5     are there when an immigrant who is illegal shows up  
6     in the Emergency Room and needs surgery.

7             I don't think I should be penalized for  
8     being successful.

9             To be honest with you, we are not asking  
10    for money, all we are saying is give us the chance  
11    to compete effectively.

12            MS. BENTLEY-MCGEE: It appears as though  
13    the majority of the people in Trenton don't want you  
14    to move, Lawrenceville doesn't want you to come  
15    there, although there are people who say, Come, its  
16    okay.

17            What I think I heard is that people are  
18    not talking to each other. I mean the motivation  
19    even to be able to persuade us to do something  
20    means, at least it means to me that I need to be  
21    reassured that all of the parties have talked to one  
22    another.

23            I guess what I'm thinking about is some  
24    sort of different way we can approach how you want  
25    to do what you want to do.

—

1                   If you have a piece of land in  
2     Lawrenceville but nobody planned for how that land  
3     would be used you need to lay the groundwork with  
4     the Township, I think I heard one former official  
5     say that Lawrenceville is a Smart Growth town.

6                   I am thinking of what you planned, but it  
7     hasn't been fully fleshed out with all of the  
8     parties, with the stakeholders who are a piece of  
9     that.

10                  It seems that if you go to Lawrenceville  
11     and a decision is made, that's fine.

12                  DR. MAGHAZEHE: It is really not -- it is  
13     timing more than anything, it is not the right time  
14     for us to get into that type of negotiations with  
15     the Township.

16                  We have met with them several times.  
17     There are some people, you have heard from them,  
18     who are supporters of this, and there are some  
19     people who are not supporters of this, I'm talking  
20     about the leadership, former and present.

21                  I think this matter is a local issue, that  
22     they need to come to terms locally as to what we  
23     want, and we will be part of that once we have a CN.  
24     We will then be in a much better position to sit  
25     down and talk.

1           This is a very complicated process, this  
2    is extraordinarily complicated, it is emotional, it  
3    is very, very difficult. We have to please the  
4    world; everybody has their own ideas and everybody  
5    has their own questions and we try to do the best  
6    we can.

7           But to have everybody get behind the  
8    project is impossible. You saw the Mayor, he is  
9    emotional. I was with him when his mother passed  
10   away, he is a personal friend of mine.

11          We can discuss a lot of this stuff on the  
12   podium here. I have been here as long as he has  
13   been here but the bottom line is, this is an  
14   emotional situation for a lot of people. They do  
15   not, I don't care how many different stats you give  
16   them, how many different figures you give them, they  
17   want you to stay here until the hospital closes, if  
18   that's what happens.

19          I wish we could do that because that would  
20   make my job a lot easier. If there is a no then we  
21   have all kinds of issues that we have to deal with,  
22   and if it is yes we also have all kinds of issues we  
23   have to deal with.

24          All we are trying to do is survive, that's  
25   all, and make sure all these people don't lose

1       their jobs and all these doctors don't leave.

2                   MS. BENTELY-MCGEE: Have you talked about  
3       any of this to the panel that Mayor Palmer had?

4                   You said your hospital was part of that  
5       dialogue.

6                   DR. MAGHAZEHE: Yes, we have engaged in  
7       dialogues, Henry Austin, we are working with St.  
8       Francis, we have had meetings privately, Dr.  
9       Somerstein, representatives to the Task Force, I  
10      attended a couple of those, Dr. O'Mara attended it.

11                   We are very much involved in this, we are  
12      the ones who have said without knowing what the  
13      outcome is going to be in terms of how much it is  
14      going to cost, we are committing our share, whatever  
15      the amount is.

16                   DR. REMSTEIN: I'm Dr. Remstein,  
17      Vice-President for Medical Affairs.

18                   DR. DONLEN: Please, very briefly.

19                   DR. REMSTEIN: Yes.

20                   We have been doing this for about four  
21      months, going to any number of meetings with  
22      representatives of the City to develop a  
23      comprehensive plan to assure that the City of  
24      Trenton has health care both on a primary care basis  
25      and specialty care basis.

1                   When I listened to Mayor Palmer's  
2       discussion, what he basically said was that we need  
3       to be assured that the City of Trenton has good  
4       access to primary care and specialists to support  
5       that.

6                   He wasn't saying that we need to get  
7       better. In fact the group has found that what  
8       Trenton needs is to assure itself that it has  
9       adequate primary care.

10                  Trenton has a very strong Community Health  
11       Center. We have primary care, we have family  
12       practice providing for thousands of patients, we  
13       also have our specialty clinics where we pay  
14       doctors, employ them and pay them on a per diem  
15       basis.

16                  We have been committed to do that since we  
17       have been in existence, we had to increase our  
18       budget for that four-fold and we will continue to do  
19       that going forward and working very closely  
20       personally with the Medical Director's Office to  
21       come up with a plan to assure that primary and  
22       specialty care will be enhanced.

23                  The problem I face is when private  
24       physicians on the staff who we can't afford to lose  
25       anymore enter into the environment that we're in

1     they can't provide the kind of work that  
2     traditionally has been provided by doctors, the  
3     paradigm shifts, the doctors' pro bono desire is  
4     still there, but financially we can't do it.

5                 We are being forced to take our dollars to  
6     provide care for free. That can't continue  
7     forever. We are working to assure that.

8                 DR.DONLEN: I am going to follow-up on  
9     some of the things that people already asked about.

10                You answered a little while ago, I do also  
11     appreciate the financials and I accept the fact that  
12     you want to maintain medical services in Trenton, I  
13     think, however, that what you have been offering as  
14     choice is a false choice, and that's what I really  
15     want to talk to you about.

16                You asked, why is anyone so worried about  
17     what effect this is going to have on other  
18     providers?

19                That's exactly what we need to worry  
20     about. We need to look at access, we have to look  
21     at access of the underserved and the under-insured.

22                The other is the need for service in a new  
23     area and the effect that that will ultimately have  
24     on the providers of that service.

25                What we are looking at is really not about



1 favoritism, it is not about something that we  
2 shouldn't be interested in, it is exactly what we  
3 need to be interested in.

4 As we have gone through this, as I said  
5 earlier, I am still very confused -- not confused, I  
6 see very clearly that what is being said on the one  
7 hand is that there are too many beds in Trenton,  
8 three hospitals can't be supported; there is no  
9 question about that, we agree on that.

10 But in everything we have discussed about  
11 this, the hospital moving is not a big deal, it is  
12 within three to six miles, depending on who you are  
13 talking to.

14 But if you look at the community you  
15 serve, they are not all three to six miles away so  
16 you are taking it further away from some of the  
17 community you serve.

18 You're saying to us that the ten thousand  
19 admissions, you are going to add five thousand  
20 admissions from other groups that you are going to  
21 take to Trenton, to Mercer, and the people who get  
22 care will continue to get care at Mercer, so you are  
23 still serving the City with three hospitals under  
24 that scenario.

25 But that doesn't seem to be the scenario

1     you talk about when you talk about getting more  
2     clients, getting a different mix, that will help to  
3     support Fuld, so that starts to be an issue.

4             Are you serving the suburbs, or are you  
5     serving the City?

6             And you don't show shifting more  
7     admissions into Fuld, as a matter of fact you seem  
8     to be reducing having the perinatal center, I know  
9     that you said you'll do it but since the question is  
10    how do you get twenty-five hundred births, that's  
11    not true in many of our inner-cities.

12            It is particularly for the reason that Ms.  
13    Walsh talked about, which was that the inner cities  
14    tend to be higher risk, but what I am getting more  
15    and more from this is that there seems to be an  
16    underlying theme that although you are still going  
17    to serve the Trenton community with the new campus  
18    but you can't do both, there are too many beds in  
19    the City of Trenton so taking those beds to the new  
20    campus looks like it is going to be serving that  
21    community.

22            So we need to look at what would be the  
23    effect on other hospitals. The growth isn't going to  
24    happen in two or three years.

25            The first year you projected five thousand

1 more admissions in med-surge, you project more  
2 admissions in other areas, but that has to cut into  
3 the hospitals that are already serving that  
4 population.

5 I am very interested in perinatal. Those  
6 four bed units, intermediate beds, become an issue  
7 in terms of viability in terms of the intensive care  
8 beds and intermediate beds in that new campus,  
9 either one of them or both.

10 The other two hospitals can't maintain the  
11 four beds one hundred percent, seventy five percent,  
12 now they are down to one or two babies.

13 So that's one problem that I have with  
14 it.

15 The other thing that continues to be a  
16 problem for me is the issue that Trenton doesn't  
17 need all of the beds that it has, but it has a large  
18 number of Emergency Room beds and a good portion--do  
19 you know how many Emergency Room visits are made.

20 MS. WALSH: We will get that for you.

21 MS. LANO: Of the adult population, about  
22 twenty-four thousand adult visits.

23 DR.DONLEN: Where did I get the forty two  
24 thousand?

25 MS. LANO: That's a combination. Fifteen

1       thousand pediatric admissions.

2                   DR. DONLEN: Are we talking about five  
3       thousand, more or less, admissions from your adult  
4       visits?

5                   MS. LANO: Yes.

6                   DR. DONLEN: But you haven't, I mean again  
7       do you believe that they will be taken care of by  
8       the other hospitals in Trenton?

9                   MS. LANO: A couple of things about the  
10       adults. Forty-seven percent of our patients are  
11       non-resident and can be served in a primary care  
12       facility.

13                   In addition, if we left the Mercer campus  
14       we know that the comprehensive communication --

15                   DR. DONLEN: We said that earlier.

16                   That's why I am focusing on the  
17       admissions. We need to look at the ones you are  
18       admitting now from the ER. They are not going to  
19       wind up at this site, you can at least start with  
20       them, they are not going to wind up at this site,  
21       they are going to go someplace else.

22                   They might come to you but there is also a  
23       potential impact on Fuld and St. Francis of at least  
24       that five thousand.

25                   MS. LANO: That is correct.

—

1 DR.DONLEN: I don't know what the waiting  
2 time is now.

3 DR. MAGHAZEHE: We have that in mind.  
4 There are some things that they are looking at and  
5 they are going to make adjustments.

6 DR.DONLEN: What is the projection? The  
7 projections that are in your application don't show  
8 that they are decreasing their admissions, that's  
9 even what it says in the text, that the patients you  
10 are serving now will follow you now to the new  
11 campus, but that doesn't fit in with the idea that  
12 you have got to get a bigger portion of the suburban  
13 population in order to be able to pay for and  
14 subsidize the care in Fuld.

15 So I am trying to figure out why you say  
16 one thing here and it is not carried through.

17 DR. MAGHAZEHE: To be honest with you, I  
18 wish I could answer all these questions.

19 MR. BREYER: In terms of the beds, there  
20 are now ten beds to a thousand in Trenton, the State  
21 average is under three.

22 DR.DONLEN: You are saying that, you are  
23 applying for this certificate of need--

24 MR. BREYER: Look on page 28 on the CN  
25 where we provide all the projections, we show Mercer

1     going from twelve thousand to around five thousand  
2     more and we show Fuld going from seventy eight  
3     hundred to nine thousand also increasing but not  
4     nearly as much.

5                 And St. Francis increasing from  
6     eighty-seven hundred to ten seven.

7                 DR.DONLEN: You mentioned numbers on Fuld.

8                 MR. BREYER: Wait a second, many people  
9     going to Fuld will go to the new Mercer, do you  
10    understand?

11                DR.DONLEN: Yes.

12                MR. BREYER: You will have a gain of almost  
13    two thousand at Fuld and you will have a gain at  
14    Mercer.

15                You say, where are they going to come  
16    from? The population is growing. I know you brush  
17    that aside, but in Middlesex County which is  
18    neighboring, they added seventeen thousand  
19    admissions in four years, Hamilton alone has added  
20    close to six thousand admissions in close to five  
21    years, of people coming to the area.

22                DR.DONLEN: The reality is I believe that  
23    if you build it there you are going to wind up with  
24    many more patients, I think it might even be much  
25    more than you projected, but I don't think that it

1 will be serving the people of Trenton at all. I  
2 think that you move it out by the suburbs because  
3 you said there is less beds in Trenton, but then  
4 you write in here that it will still be accessible  
5 to Trenton.

6 MR. BREYER: It will.

7 DR.DONLEN: What I am hearing in terms of  
8 what you want to do is you really want to service  
9 the suburban population and you have Fuld.

10 What I am trying to get at is you are in  
11 a perfect position with a safety-net hospital in the  
12 City of Trenton; why not look at building a  
13 state-of-the-arts hospital that is a safety-net  
14 hospital that attracts clients from the suburbs to  
15 come to the City and build on the programs that you  
16 have, and have only one hospital, wind up with two  
17 hospitals for the City of Trenton, St. Francis and  
18 Mercer and build your state-of-the-art hospital as a  
19 safety-net hospital?

20 I want to ask you a few questions about  
21 this payer mix for Mercer only that you submitted on  
22 page 13?

23 MR. BREYER: That was from Mercer only.

24 MR. GUY: Ronald Guy, I am the Chief  
25 Financial Officer.

1 I would have to review the numbers, I  
2 don't have that with me.

3 DR.DONLEN: I mean it is a good payer mix  
4 there so my assumption is if it is the whole system  
5 and the safety-net hospital, the Fuld Hospital is  
6 one and the Mercer campus is another, I am wondering  
7 why not take advantage of that payer mix to get more  
8 clients and to support the other safety-net  
9 hospitals within the City of Trenton?

10 You could have a hospital with what you  
11 have at Mercer and what you have at Fuld with an  
12 appropriate amount to both meet the needs--

13 MR. BREYER: From a planning perspective it  
14 would not have the regional draw that it would have  
15 in the suburbs.

16 DR.DONLEN: That's not what I am saying.  
17 You are not understanding what I am saying.

18 MR. BREYER: I understand, but you are  
19 saying if you combine the two hospitals.

20 DR.DONLEN: No.

21 I am trying to figure out, you are saying,  
22 this is our only choice, and it's the choice you put  
23 in front of us.

24 But what I am saying is looking at it from  
25 the standpoint of the entire planning system is this



1 really the best plan, to have the safety-net  
2 hospital at Fuld that winds up being a safety-net  
3 hospital, when it could have been surrounded by all  
4 these services?

5 That's one of the things that Mercer has  
6 done very well over the years, is to develop  
7 regional programs to do so.

8 By looking at your admissions, they do  
9 come from these areas.

10 DR. MAGHAZEHE: If you think we are going  
11 to be the next small clinic with Johns-Hopkins,  
12 other hospitals are expanding and growing.

13 The same one that we are talking about  
14 keeping in Trenton has lost one thousand births in  
15 the last five years.

16 I know what you're saying. You're saying,  
17 look, build regional programs at Fuld.

18 MR. BREYER: No, she is saying build at a  
19 new site.

20 DR.DONLEN: No, I am not.

21 What I am saying --

22 MR. BREYER: To build a new five hundred  
23 bed hospital?

24 DR.DONLEN: I didn't say five hundred.  
25 You are making me sound ridiculous.

1 MR. BREYER: Three hundred.

2 DR.DONLEN: All that's neede is three  
3 hundred, three hundred is the number.

4 You are taking two hospitals out of the  
5 City.

6 DR.DONLEN: You said and everybody said  
7 all along that the City cannot support three  
8 hospitals; I agree.

9 I don't know if the right number is one, I  
10 don't know if the right number is two.

11 However, what you are saying as you put  
12 this down here is we need a new building, the  
13 building is old. I agree.

14 The City can't afford three hospitals so  
15 we are going to take the City's benefits that we  
16 serve here and we're going to move this hospital  
17 three miles, most of them will follow us, we will  
18 still do the perinatal center there, we'll do the  
19 deliveries there, we will serve the City.

20 You haven't decreased the beds that you  
21 say are needed for the City at all. You have a  
22 portion of them in the suburbs and they are still at  
23 Fuld and St. Francis.

24 You say in the beginning that moving this  
25 hospital will help make these other two hospitals

1     viable but the plan that you put forward doesn't  
2     show a projection of increased services and  
3     increased bed use at Fuld.

4                 DR. O'MARA: I think one thing that has not  
5     been been regarded as critical, although it might  
6     be, I am alluding to the financial support that we  
7     are required year-after-year to increase in payments  
8     for physician services for the inner-city  
9     population.

10                I am speaking as President of the Medical  
11     Staff. We really have a problem because those RPCs  
12     that are in the inner-cities, many of them are  
13     associated with academic programs, we are a smaller  
14     city and we are trying to maintain our physician  
15     population because without doctors you can have a  
16     nice building but the doctors won't come.

17                Doctor Maghazehe alluded to why some of  
18     the physicians are not coming to the Trenton  
19     hospitals. I hear it all of the time. It's because  
20     it is a safety issue to come into the City. When the  
21     doctors don't come the patients don't come.

22                And when you don't have doctors able to  
23     grow their practice it's a disincentive for them to  
24     say, By the way, we are serving a population, they  
25     should come to the Emergency Room.

1           The State will tell you that one out of  
2   fifty Trenton inhabitants is HIV positive. We  
3   provide early intervention services in Trenton  
4   exclusively and our numbers shows it is worse than  
5   that.

6           You are asking a physician to come and  
7   practice and treat somebody who is an at-risk  
8   person, a higher risk person, you are not going to  
9   have --

10           DR.DONLEN: How is that going to be  
11   changed by this program?

12           DR. O'MARA: Because there is a coat-tail  
13   effect, the coat-tail system is that we doctors are  
14   to provide the highest level of care. If you build  
15   a state-of-the-art hospital they will come.

16           When we build a facility that can attract  
17   physicians, and not just attract physicians into the  
18   same level of care but a higher level of care that  
19   all area residents should feel is going to benefit  
20   them, not just Trenton but all area residents, it's  
21   that coat-tail effect that will attract more  
22   doctors, higher level of care, increased technology,  
23   and maybe we will become an academic center and  
24   maybe that will help us then address some problems  
25   in our discussions with Henry J. and the Task Group,

—

1     this is something that the Task Group has looked at  
2     and other New Jersey hospitals because there is no  
3     academic draw to the City.

4             One difference between Trenton and other  
5     New Jersey inner-city hospitals is that there is no  
6     academic draw in the City. That's how the other  
7     cities maintain their level of performance, with the  
8     doctors that you want to go and train with.

9             DR.DONLEN: I do think that we are much  
10    more concerned, I am not a bit concerned that this  
11    new campus couldn't wind up being built, but the  
12    problem I am having is at what cost, how will it  
13    affect the stability of the other providers and how  
14    will it provide services for Trenton on that campus?

15            I understand what you are saying about  
16    people coming back but we have had that for many  
17    years.

18            The safety-net program, that is your  
19    hospital that stands the most as to the need of what  
20    services we should get.

21            And I'm not sure that moving it out to the  
22    suburbs and, therefore, being able to send money  
23    back here is a good enough reason for us when we are  
24    looking at the services that would be leaving the  
25    City and the effect on other providers in the

1       suburbs.

2                   DR. MAGHAZEHE: The Department of Health  
3       has already made the RPC a condition.

4                   I am not anticipating any change in the  
5       level of services. We spent forty million dollars  
6       on Fuld, we had a reason to do that.

7                   MR. KANE: You are saying doctors are out  
8       migrating from your facility. Are they out migrating  
9       from Mercer to Fuld?

10                  DR. MAGHAZEHE: They are migrating, Fuld is  
11       splitting for the most part with Hamilton, Mercer  
12       they are just leaving.

13                  MR. KANE: I wonder if the physicians are  
14       leaving Mercer because you are putting the money  
15       into Fuld and I wonder if they are leaving because  
16       there is writing on the wall that Mercer is getting  
17       shut down, because they don't think there is a  
18       future for their practice.

19                  I am wondering if you were to keep one  
20       facility combined with a new facility,  
21       what-have-you, but if you make that state-of-the-art  
22       facility in the City that you will get the same  
23       conditions that happened at St. Peter's in New  
24       Brunswick, that they will come back into the City.

25                  It seems to me that we will get the same

1 condition as we got with St. Peter's in New  
2 Brunswick, people go to Peter's because it is a nice  
3 place to have your kid in Central Jersey.

4 But if you are down in that area you just  
5 don't come back into the City.

6 I think the City would grow. I think  
7 that's what the Mayor was saying a few hours ago.

8 I think you have to keep that in mind.

9 The concern I am having is your concern  
10 that they are taking away business, and that's a  
11 valid concern, but I don't know that the answer is  
12 then that we will just go out and take it back.  
13 That's the impression I am getting and I am  
14 concerned about it.

15 MS. AINORA: I have heard a lot of  
16 testimony, I think from all of the information that  
17 you have taken I think you have done proactive  
18 planning as opposed to reactive. I have stood on that  
19 side so I know.

20 I think this is an appropriate question,  
21 but it not appropriate for me to second guess your  
22 business.

23 I don't really think that Hamilton, those  
24 arguments are that big arguments. The population  
25 growth is there. I think you are going to be very

1       successful.

2                   I am concerned with this move that primary  
3       care is going to stay in Trenton but I think that I  
4       have been satisfied that the primary care unit will  
5       be taken care of.

6                   I am still a little unclear on the  
7       perinatal issue, you know, I am not quite sure where  
8       I stand on the perinatal issue.

9                   The other question I have for you is, you  
10      make the investment, this is a time when Wall Street  
11      is not happy with hospitals, they are expending  
12      funding for the project, a significant amount of  
13      cash, do you think there is going to be perhaps some  
14      problem with that?

15                  MR. GUY: I haven't figured that one out,  
16      this guy will shoot me in the parking lot.

17                  We have been thinking about this for a  
18      long time and I have been giving it a lot of  
19      thought.

20                  We have had this reviewed several times by  
21      independent parties and I have spoken to the  
22      authorities many times. all of the independent  
23      analysis suggests that we can do it, it is not going  
24      to be easy but it will be done.

25                  With regards to Wall street, I have



1     already tested that, too, with S&P and Moody's, we  
2     have come a long way to satisfy Moody's and S& so  
3     they think highly of us. They have upgraded us a  
4     couple of times. Our outlook is a positive one.

5                 We would have been upgraded again absent  
6     this Project and we would have been upgraded two  
7     years ago absent some other things we are doing.

8                 So they are looking to see what is going  
9     on and preserving their opportunity to look at us  
10    once we get the go-ahead with the project and go to  
11    the bond market.

12                We wouldn't have gone this far if we  
13    didn't think we would be successful, we have cash  
14    reserves and we have the capacity to borrow what we  
15    think we need to do job.

16                MS.AINORA: Have you designed the building  
17    in such a way that you can stop, that you don't have  
18    to build a six story?

19                DR. MAGHAZEHE: Yes.

20                MR. HAVENS: Doctors are going to leave the  
21    territory, I appreciate that doctors leave the area  
22    and go to other areas for all kinds of reasons.

23                The point to a certain extent there is  
24    some validity to that.

25                Another example is Barnert went through a

1 couple of years ago a multi-million dollar expansion  
2 and a few years later they were bankrupt. There are  
3 classic examples, I can appreciate that.

4 I still have major concerns about the  
5 perinatal unit. My concern is, I still believe it  
6 is better to have the mother transporting the baby  
7 than Capital transport the baby so my reservation  
8 still stands.

9 Essentially to move out of that area it  
10 will have a greater risk for these patients.

11 But I also believe, you are the only RPC  
12 in Mercer County legally allowed to handle very low  
13 birth weight babies below twelve hundred. Would  
14 you have a specialist team program that could  
15 operate in the suburban area with access procedure  
16 and referral for these babies and for the services  
17 for high risk pregnancies?

18 MS. HORTON: Without a doubt there are some  
19 very high risk pregnancies that come out of the City  
20 of Trenton but our numbers are forty percent from  
21 Trenton, sixty percent from outside.

22 MR. HAVENS: But my concern is it is much  
23 more challenging, I am concerned about the mother in  
24 Trenton making it out--

25 MS. HORTON: I was just clarifying the

1 ratio.

2 Another thing is, although we are the only  
3 regional perinatal center in Mercer County that is  
4 not to say that we get the referrals that we are  
5 supposed to from the suburban hospitals.

6 They they of chosen centers outside of the  
7 County.

8 DR. DONLEN: How many of them are Trenton  
9 residents?

10 MS. HORTON: About eleven hundred.

11 DR. DONLEN: Forty percent are NICU so they  
12 are half, a little bit more than half?

13 MS. HORTON: No, we have twenty five  
14 hundred deliveries.

15 DR. DONLEN: Half NICU?

16 MS. HORTON: It is actually pretty much  
17 equal.

18 DR. DONLEN: What about the other under one  
19 thousand gram babies?

20 MS. HORTON: One-third Trenton, two-thirds  
21 outside of Trenton.

22 MSW. LEWIS: Two things. When you talk  
23 about physician and physician shortages and  
24 providers and access, the statement that I am  
25 understanding is that if you build this hospital you

1 will be able to attract more doctors and the  
2 coat-tail effect will be that there will be  
3 something in the contract or something to obligate  
4 them to come to Trenton to serve the clientele in  
5 Trenton.

6 But as a physician myself practicing for  
7 many years and having been part of the  
8 administration, being part of the system and being  
9 part of academia, I am not sure if I agree with the  
10 coat-tail effect because what I do see when you have  
11 a state-of-the-art facility in one community and  
12 doctors are obligated to go back into the inner-city  
13 and provide services you are starting to have  
14 discrepancies in the quality of service that is  
15 provided.

16 All of a sudden a doctor from the fancy  
17 hospital won't really have the time to show up or  
18 show up late, so there is a quality of care issue  
19 there.

20 That is just a comment that I make. I  
21 actually respect the business decision and I respect  
22 the success you have already had in Trenton, but I  
23 don't quite believe that this coat-tail effect that  
24 you are talking about is going to be as you project.

25 DR. MAGHAZEHE: I am not disagreeing with

1     you.  However, I think that Capital Health System  
2     will be in a better position than we are in now even  
3     from a financial standpoint to make sure that the  
4     services are available in Trenton.

5                 I am looking at the two different  
6     scenarios.  What are the chances that they well work  
7     in Trenton?  If a doctor is spending eighty percent  
8     of the time in a  hospital in Lawrenceville and  
9     twenty percent of the time in Trenton, when I go to  
10    recruit someone it makes it easier.

11                MS. LEWIS: I completely understand what  
12    you are saying, I have been there,  but what may be  
13    an option is just, it wasn't a thought when I first  
14    came in, but the idea of actually building one  
15    state-of-the-art facility in Trenton and providing  
16    the services, but as you said that may not be  
17    sustainable, so maybe we all need to think outside  
18    of the box and rethink this whole thing.

19                DR. MAGHAZEHE: To be honest with you,  we  
20    did look look at the possibility of funding for a  
21    hospital in Trenton.

22                Ron, why don't you tell them what you  
23    found out?

24                MR. GUY: The numbers just didn't work.

25                Getting  funding for that is not going to

1     be easy. We have strong financials which can't  
2     continue, there will be a diminution of our  
3     financials.

4             We think we have a good model, we tested  
5     that with the people from Wall Street, and the other  
6     alternatives, it just doesn't resonate.

7             So there are a lot of things here, there  
8     is the filing of things, we need to do that first.

9             MS. LEWIS: The second question, I still am  
10    a little confused about the number when I asked  
11    about the perinatal sector and talking about the  
12    potential of it being higher in inner-city and there  
13    was a comment made about forty/sixty, sixty percent  
14    was from outside of Trenton.

15            Are you talking about sixty percent of  
16    your super high risk babies are coming from outside?

17            MS. WALSH: Yes, that's correct. It is  
18    actually, both splits are similar. The split for  
19    the deliveries is forty percent, roughly forty to  
20    forty five percent from the City of Trenton zip  
21    code, sixty percent are coming from outside of  
22    Trenton.

23            But then when you look at the figures it  
24    is again relative. The same, about forty percent of  
25    those total NICU admissions are from the City of

1 Trenton, the remaining sixty percent are coming from  
2 the suburbs. That number has increased  
3 significantly because six or seven years ago only  
4 thirty percent of our NICU admissions were from the  
5 City of Trenton, seventy percent was from outside.

6 And the reason for that is because of all  
7 of the advances in IVF, we are having a lot more  
8 twins, triplets.

9 DR. MAGHAZEHE: I think it appears that we  
10 are not able to convince you so we are going to end  
11 this and we will accept the conditions that the  
12 Department of Health have set.

13 MR. KANE: Looking at your appendix in  
14 terms of the ICU, I notice that the Mercer Hospital  
15 has a fairly high occupancy rate.

16 Is there a plan in place for those  
17 patients, is there enough capacity at Fuld and St.  
18 Francis? It looks like we should be able to cover  
19 it. How will that work?

20 MR. DISANTO: Larry DiSanto, Executive  
21 Vice-President and Chief Operating Officer of  
22 Capital Health System.

23 As we mentioned before in response to a  
24 question, we just built a brand-new intensive care  
25 critical care unit this fall that has the capacity

1 to treat patients, we have twenty four beds in that  
2 unit and it is not running at one hundred percent  
3 capacity right now and we have the ability to accept  
4 more patients there.

5 If you look at the numbers I believe St.  
6 Francis would also have the capacity to accept  
7 critical care patients should they decide to have  
8 those patients there as well.

9 I just want to state that the issue about  
10 need, the impact on other hospitals has been asked  
11 by several people, and I refer to the Department of  
12 Health's Staff who confirm that no firm evidence has  
13 been provided by the competing hospitals that the  
14 proposed relocation would cause them significant  
15 harm as opposed to potentially reducing as a result  
16 of increased competition their future opportunities  
17 for additional growth, and thus, there is no  
18 evidence, no evidence of an adverse impact, economic  
19 or financial impact on the health care services in  
20 the future.

21 DR.DONLEN: That is the Department Staff  
22 but I took exception to that view from the beginning  
23 because I believe the Department has to look at  
24 that.

25 I have sat on this Board and looked at



1     nursing homes and it certainly has been the  
2     Department giving us the data about what they think  
3     will be the effect if market share was taken away  
4     from other facilities.

5             I think they have accepted competition but  
6     I don't think from what they have done here, I can  
7     take the same page we were just looking at and there  
8     is fifty eight percent occupancy in the ICU beds at  
9     Princeton and eighty seven percent occupancy rates  
10    of ICU beds at Robert Wood Johnson in Hamilton.

11            If you are going to take sixteen ICU beds  
12    to the suburbs and you are looking at off-loading  
13    maybe a few at the two Trenton hospitals it clearly  
14    will impact the occupancy rates in the two hospitals  
15    out there.

16            That's what I was trying to get at, it is  
17    very clear from what you said as well as what the  
18    numbers show that this hospital that you are  
19    projecting to build is going to be built to serve a  
20    need in the area that nobody identified as needed.

21            You need a new building but I don't see  
22    any need in the suburbs for a new hospital. I am  
23    not being convinced that the hospital you are  
24    transferring will continue to meet the needs of the  
25    Trenton residents to the degree that the Mercer

1 campus has now.

2 I think the Mercer Capital Health System  
3 is fine for the City of Trenton but I don't think it  
4 would be at the new campus. We haven't identified  
5 that there is a need in this area for another  
6 hospital and a need for services where other  
7 hospitals don't have high occupancies, so that's my  
8 problem with that.

9 We don't have a need, we don't have a  
10 proven need where you are going, you don't have any  
11 assurances that it won't have any effect on the  
12 other providers, and I have a certain fear about  
13 whether or not the services you will have available  
14 on this new campus really will be utilized to a high  
15 degree, certainly not to the same degree that the  
16 Mercer campus is now utilized by Trenton residents.

17 MR. DISANTO: We filed our certificate of  
18 need on April 1, 2005. Subsequent to that, probably  
19 about nine months later the University Medical  
20 Center filed a certificate of need that you folks  
21 will be hearing sometime in the future to relocate  
22 out of Mercer County, so I would suggest that the  
23 numbers that we submitted at the time could somewhat  
24 be modified and changed as a result of their  
25 relocation out of the County.

1           In addition to what Mr. Breyer mentioned  
2       several times the growth rate in that area is quite  
3       significant, so by virtue of relocation and the  
4       growth rate we feel comfortable that there is  
5       sufficient need in that area.

6           The numbers were filed a long time ago and  
7       since then the landscape has changed so much.

8           MS. STOCKLEY: You seem to indicate that  
9       this other application came in after yours--

10          MS. WALSH: Our certificate of need has  
11       been processed for a very long time, and I think  
12       that it is important to note here because we are  
13       building a hospital, a new hospital but we have had  
14       some information to show you, you know the volumes  
15       have risen, we have another hospital in our area  
16       which is building a hundred more beds which didn't  
17       have to go through a certificate of need process.

18                i think that's a very important point,  
19       that we have to come in and defend that we need to  
20       build a new hospital but because of the way the  
21       regulations are now other hospitals, if you will  
22       just indulge me one minute, this is how things have  
23       changed, in four years, admission rates have  
24       changed, and for example, since 2000 until 2004,  
25       Robert Wood Johnson at Hamilton has had sixty-one

1     percent increased admissions. Where did they come  
2     from? That's the question that keeps coming up.

3             Princeton had a forty percent increase in  
4     admissions. Where did they come from?

5             Mercer and Fuld have both had drops in  
6     their overall admissions.

7             DR.DONLEN: We recognize, I understand  
8     what you are saying about that but the other issue  
9     is, you stated that the admissions have increased,  
10    we have to look at it from the standpoint of is  
11    there a need, is there an unmet need in the area  
12    that you want to move to?

13            I hear what you are saying, I think if you  
14    can project a need, but there is no doubt, you have  
15    said the same thing, about taking clients who are  
16    being served by the other facilities from them and  
17    if the need couldn't be met by the existing  
18    facility.

19            So as we look at it, we come down to do  
20    you need a new building and that revenue and that it  
21    will help attract doctors for the care you give in  
22    Trenton, and I don't know if we see a model that  
23    works for that, although we have had other hospitals  
24    that hoped to bail out the hospital that was in the  
25    inner-city and then they come back and it didn't

1 work.

2 MS. WALSH: You keep telling us you  
3 understand there is a need for a new hospital and  
4 that's what we are asking for, which will allow us to  
5 take back clients that we used to serve.

6 DR.DONLEN: But the need, I don't know  
7 that there is a need in the area you are moving to  
8 as much as there is here.

9 MS. WALSH: From our perspective there is  
10 because of the change of population and growth of  
11 population.

12 MS. DONLEN: But the bed occupancy doesn't  
13 show.

14 MS. WALSH: Looking at our request, our  
15 model in conjunction with other requests.

16 MR. KANE: I have a procedural question. I  
17 want to support this application but I find myself  
18 with too many questions to support it right now and  
19 I don't want to deny it today.

20 I am wondering what we can do to possibly  
21 look at this and in the context of other  
22 applications, is it possible to table it and have  
23 the State do a better job of interpreting the data?

24 DR.DONLEN: My first question is, my  
25 understanding is that there is a limited amount of

1 time until the Commissioner has to take action.

2 MS. AINORA: Why not approve the process  
3 with some sort of condition assigned to it which at  
4 least gets the process moving, since it is here  
5 since 2005?

6 (Inaudible.)

7 MS. DONLEN: So there is a way that we can  
8 do it.

9 Mr. D'ORIA: I think we need from the Board  
10 specifically what the Board needs in terms of  
11 analysis. I would also add we need to take into  
12 account the region's plan in terms of expansion as  
13 well so perhaps the other hospitals in Mercer County  
14 could supply information regarding their plans for  
15 the next ten years, let's say.

16 MS DONLEN: You were out of the room when  
17 it came up that there is another one coming to us  
18 and if we saw that we might consider it differently.

19 MR. KANE: What about the Governor's  
20 Commission?

21 MR. D'ORIA: The Governor's Commission is  
22 still in a very conceptual state.

23 DR.DONLEN: That's outside of the six  
24 months.

25 More information but the Governor's report

1 or another application down the road, whatever it is  
2 that I do I want it based on what is before me right  
3 now.

4 DR. MAGHAZEHE: May I interrupt?

5 This has been a very expensive project.  
6 The costs are increasing daily and as far as waiting  
7 six months, we would like a decision today.

8 DR.DONLEN: I understand that.

9 DR. MAGHAZEHE: It has been too long.

10 DR.DONLEN: We are finished with hearing  
11 from the Applicant, we are talking among ourselves.  
12 We are not saying we are going in that  
13 direction.

14 DR. MAGHAZEHE: Should I go sit down?

15 DR.DONLEN: The question is if we defer it  
16 what kind of issues are we talking about. I am not  
17 sure we are going to defer it.

18 Henry suggested that we would want to see  
19 the other application coming before us, do you  
20 believe that that would be helpful?

21 Let me finish, Henry.

22 MR. HAVENS: Could we approve one without  
23 approving the other one? I am not even sure we have  
24 the right to do that.

25 MR. KANE: I am just asking, we have had

1       several points of conflcting testimony here as to  
2       how it will affect both both Princeton and Hamilton.  
3       It's my personal opinion, and I would like to hear  
4       the other opinions, I think we need to flesh that  
5       out.

6                I think from the tenor of the report  
7       that's been given, usually they are much more cut  
8       and dry, this one didn't come to a conclusion as to  
9       that and I am not comfortable with that.

10               I think that Princeton--

11               MS. BENTLEY-MCGEE: Princeton is not here.  
12       I thought Princeton came up in the context that we  
13       don't have enough information about the other  
14       hospitals and how they feel about this project.

15               MS. BENTLEY-MCGEE: My experience on this  
16       Board has been that when another hospital has  
17       something to say they say it loud and loud. I am  
18       not so concerned that I haven't heard from the  
19       others.

20               If the Applicant wants us to vote I think  
21       we should maybe discuss that.

22               MS. STOCKLEY: As to evidence presented or  
23       not presented by another hospital, I am not sure  
24       that if we hear from them in advance that that  
25       would aid us as opposed to the more general types of



1 public comment that they produced on this  
2 application.

3 So in terms of that I guess it is the  
4 professionals that should be doing the analysis  
5 in-house or that the other hospitals should be  
6 producing their analysis of the impact on them, but  
7 I think that it's more appropriate for the other  
8 hospitals to do that

9 DR.DONLEN: It has been my experience  
10 that with the exception of cardiac where it is very  
11 specific that the interested parties should have a  
12 role, by regulation they have to come before us and  
13 tell us what impact it would have.

14 Most of the time we are provided with the  
15 potential impact on the ability to destabilize an  
16 existing service, and I am really uncomfortable  
17 that all this is going to do is to stymie what would  
18 have been future growth.

19 When I look at those intermediate beds in  
20 perinatal, no matter which way I do this, I think  
21 this will have a destabilizing effect particularly  
22 if the goal is to increase some of the deliveries  
23 by changing the market shift. That was my sense.

24 And also with the fifteen new beds what  
25 effect will that have.

1                   Is there a sense that you want more  
2   information in terms of the impact on other  
3   hospitals and/or do you want to move forward?

4                   MR. HAVENS: From my point of view as far  
5   as impact we should recognize, part of my experience  
6   has been any time any hospital plans to do anything,  
7   everyone around them claims they will have to close  
8   if that's done, so that's the history of the health  
9   planning in the State of New Jersey.

10                  So far the major medical centers in the  
11   State have not closed although they claimed they  
12   would have to close if someone else got something.

13                  So a lot of it is crying wolf and  
14   hospitals do it all of the time.

15                  The fact that Hamilton keeps on growing  
16   and adds beds, obviously there must be something  
17   going on in the area, and whether Princeton is  
18   going to submit something or not submit something is  
19   pure speculation.

20                  As far as the overall environment,  
21   obviously we all recognize there are too few beds,  
22   too few hospitals in the State of New Jersey, we can  
23   approach that but as far as issues as to that now,  
24   that could be a year from now, that could be two  
25   years from now.

—

1                   We have an application, it isn't going to  
2                   stop everything in the State including moratoriums  
3                   on medical-surge beds at other hospitals.

4                   As far as the impact on other  
5                   institutions, I don't see that.

6                   MS. OLSZEWSKI: I agree with Elsworth and I  
7                   would add to what he said, I think that what they  
8                   would put together would also involve a lot of  
9                   guess-work on their part in terms of determining  
10                  population growth and market share and I don't know  
11                  that we aren't asking them to do something that's  
12                  impossible.

13                  I am all right with the data we have. At  
14                  every single meeting we have had the data has been  
15                  inaccurate, conflicting, imperfect. I feel  
16                  confortable that what we have is good enough.

17                  DR. DONLEN: Do I have motion, are we ready  
18                  for a motion?

19                  MR. KANE: I make a motion to defer.

20                  DR.DONLEN: There is a motion to defer.  
21                  Your reasons for that would be?

22                  MR. KANE: I didn't write them down.

23                  Number one, if they could do a more  
24                  in-depth study of the factual basis of whether or  
25                  not it will have a detrimental effect on Princeton

1 and Hamilton, the market share effect.

2 In addition to that, the effect the  
3 Pennsylvania population would have on that, in  
4 addition to that the effect that the Princeton  
5 application would have on the application. I'll  
6 leave it at that.

7 DR.DONLEN: Is there a second?

8 There is no second.

9 DR.DONLEN: Another motion.

10 MS. AINORA: I make a motion to approve  
11 Staff's recommendations including the conditions as  
12 stated on page 9 and 10.

13 DR.DONLEN: Summarize your reasons for  
14 that motion to support it.

15 MS. AINORA: I think the Applicant  
16 justified their need to make an investment in a  
17 different--to move part of their services and locate  
18 in an area where they can achieve additional volume  
19 and growth in an area outside of Trenton but still  
20 in the immediate area, and they do make a  
21 commitment, a financial and medical commitment to  
22 Helen Fuld.

23 DR.DONLEN: Does somebody else have any  
24 reasons?

25 MS. OLSZEWSKI: And if they satisfy the

1 statutory requirements.

2 MS. AINORA: And satisfies and complies  
3 with the statutory requirements as stated in the  
4 Health Planning Act.

5 MS. OLSZEWSKI: Seconded.

6 DR.DONLEN: Discussion?

7 MR. HAVENS: One of the conditions as far  
8 as relocation, is it possible for us to attach a  
9 timeline on that condition, that if they have not  
10 come to terms with the town within a period of time  
11 that the CN would have to be resubmitted.

12 The only reason I bring it up, let's say  
13 it comes back a year from now or eighteen months  
14 from now or two years from now and we have an  
15 outstanding CN, that is going to impact on the whole  
16 region.

17 DR.DONLEN: I think you are trying to find  
18 out if we can alter the statutory requirements.

19 The rule allows two years, can you live  
20 with that? That's the rule as it is.

21 MR. HAVENS: Yes.

22 MS. AINORA: And if they haven't got a  
23 site?

24 DR.DONLEN: So they have to go through  
25 another whole process.

1           MR. LAVERY: The time-frame is five years.  
2       As with any certificate of need application they can  
3       come back in if they are not ready to be licensed  
4       in five years with a request for an extension of  
5       time.

6           DR. DONLEN: So there isn't any way of  
7       putting something in that in order to be completed  
8       at the end of five years they would have to be  
9       started by a certain amount of time and if they  
10      haven't started by that time --

11               (Inaudible)

12          DR.DONLEN: So it would be meaningless to  
13      do it here because it wouldn't be enforceable.

14               Any other discussion on the motion?

15          MS. OLSZEWSKI: Clarification from you.

16               I notice you have expressed concern about  
17      the impact on other medical centers but most  
18      specifically intermediate bassinets.

19          DR.DONLEN: I didn't think that the  
20      statutory criteria, that there were identified needs  
21      in the area which are going to have an effect on  
22      other providers which has been dealt with in a  
23      meaningful way, so the thing that I was concerned  
24      about with other providers is more about the special  
25      services like intermediate beds, you have to run

1       them at a certain occupancy for them to be  
2       efficient.

3               MS. OLSZEWSKI: Is there an amendment that  
4       would help minimize your concerns?

5               DR. DONLEN: No, because those two units  
6       have four beds now.

7               All I am saying is that a hospital with  
8       eight intermediate beds is very likely to have a  
9       significant impact, whether they open a four bed  
10      unit or nine bed unit.

11              You are looking to take your manpower  
12      that now staffs three units and you pool them.

13              Whether or not the plan is consistent  
14      with--I don't know how many intermediate beds, they  
15      are only taking their full complement of  
16      intermediate beds and moving them around, they are  
17      not asking for new beds.

18              MS. AINORA: I think they have to come up  
19      with a plan.

20              MS. OLSZEWSKI: My question to you was, is  
21      there a way to amend that and alleviate your  
22      concerns?

23              MR. KANE: I am very concerned about the  
24      population of the City of Trenton, this is a big  
25      problem and I think it is very important.

1 DR.DONLEN: Anybody other comments?

2 MS. OLSZEWSKI: Yes.

3 I would say I am also very concerned about  
4 the residents of Trenton and this is actually the  
5 opportunity for us to address the issue, and I feel  
6 as though with the conditions that have been  
7 attached to this application that it is a viable  
8 approach to dealing with the issue with the decline  
9 in admissions and decline in population or stable  
10 population in Trenton and the movement of  
11 admissions to other medical centers.

12 So I do support this and we can sit here  
13 and second-guess the approach that was taken in  
14 Camden which I think is inappropriate to do that.

15 In the past we heard applications on which  
16 we all agreed, we wished that the solution that  
17 they came up with would have been different because  
18 we thought another solution would have been more  
19 supportable and easier for us to agree on, but that  
20 wasn't the case, we didn't have all of the  
21 information in front of us so we just went with what  
22 we had.

23 It wasn't the best solution but we had to  
24 look at whether it satisfied the needs.

25 The question is, is there a need in the



1 particular area for another center, and Staff said  
2 it is more that basically the need is to continue to  
3 have a strong viable presence by Capital in Trenton,  
4 and that this is the way to insure that that happens  
5 and it is certainly a better approach than doing  
6 nothing.

7 And I think they have provided some strong  
8 and compelling information that says that it is  
9 something that they can be successful in.

10 I haven't heard compelling evidence that  
11 it will negatively impact the other medical centers,  
12 so I do support this application.

13 DR.DONLEN: Any comments?

14 Take a vote.

15 MS.DAVIS: Ms. Ainora?

16 MS. AINORA: Yes.

17 MS. DAVIS: Mr. Kane?

18 MR. KANE: No.

19 MS. DAVIS: Ms. Olszewski?

20 MS. OLSZEWSKI: Yes.

21 MS. DAVIS: Ms. Bentley-McGee?

22 MS. BENTLEY-MCGEE: Abstain.

23 MS. DAVIS: Dr. Barone?

24 DR. BARONE: Yes.

25 MS. DAVIS: Dr. Lewis?

1 DR. LEWIS: Yes.

2 MS. DAVIS: Mr. Havens?

3 MR. HAVENS: Yes.

4 MS. DAVIS: And Dr. Donlen?

5 DR. DONLEN: No.

6 MS. DAVIS: Majority rules, the motion is  
7 carried.

8 DR. DONLEN: We make a recommendation to  
9 the Commissioner and the Commissioner has to come to  
10 his decision.

11 We thank you very much for all of the  
12 testimony given and all of the hard work.

13 (Time noted: 4:00 P.M.)

14

15

16

17

18

19

20

21

22

23

24

25

## 1 C E R T I F I C A T E

2

3 I, William Sokol, Certified Shorthand  
4 Reporter of the State of New Jersey, License No.  
5 30X100030700, and Notary Public of the State of New  
6 Jersey, do hereby certify that the foregoing is a  
7 verbatim record of the testimony provided under oath  
8 before any Court, Referee, Commission or other body  
9 created by statute of the State of New Jersey.

10 I am not related to any parties involved in  
11 this action; I have no financial interest nor am I  
12 related to an agent of or employed by anyone with a  
13 financial interest in the outcome in which this  
14 transcript was taken; and furthermore, that I am not  
15 a relative or employee of any attorney or counsel  
16 employed by the parties hereto or financially  
17 interested in the action.

18

19

20

21

WILLIAM SOKOL

22

23 Certified Shorthand Reporter

24 and Notary Public

25